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Soviet Leaders Propose Radical Shift Of Power From Center to Republics

Agence France-Presse

Boris N. Yeltsin, left, and Mikhail S. Gorbachev during the session of the Congress of People's Deputies in Moscow on Monday.

The Plan Envisages Loose Confederacy

By Michael Dobbs
Washington Post Service

MOSCOW — President Mikhail S. Gorbachev joined with republican leaders on Monday in calling for sweeping constitutional changes that would reshape the Soviet Union as a loose confederation of independent states, ending nearly 74 years of centralized rule from Moscow.

The proposals, which were offered at an emergency session of the Congress of People's Deputies, the full Soviet parliament, envisage the establishment of a transitional legislature and government until a new constitution can be drafted. The debate at the session suggested that a significant majority of legislators were likely to vote the old Soviet Union out of existence Tuesday or Wednesday, despite angry protests from Communist Party hard-liners.

"Another page in our great chronicles is being turned. A 74-year-old era is receding into the past," the Russian Orthodox patriarch Alexii II told the legislators gathered in the Kremlin to discuss the aftermath of last month's abortive coup.

Addressing the Congress on behalf of Mr. Gorbachev and the leaders of 10 of the Soviet Union's 15 republics, Nursultan A. Nazarbayev, the president of Kazakhstan, said that the coup had created a "historic opportunity" to speed up the course of change. He said that the measures were designed to prevent the "further collapse of structures of power" prior to the creation of an entirely new political system.

Mr. Gorbachev said later that he would be meeting representatives of the Baltic republics of Lithuania, Latvia and Estonia, to work out a formula for recognizing their independence following the U.S. decision Monday to re-establish diplomatic relations with them. The Congress has agreed to take a stand on the issue of Baltic independence during its session, which is due to end Wednesday.

By tabling their plan to relaunch the Soviet Union as the "Union of Sovereign States" at the beginning of the session Monday, Mr. Gorbachev and the republican leaders effectively preempted a threatened conservative backlash. Formed as the result of elections in 1989, the Congress includes many old-style Communist politicians who are likely to have privately sympathized with the goals of the abortive putsch.

"This is an attempt at an unconstitutional coup," said Colonel Viktor Alksnis, a hard-line army officer and lawmaker who has campaigned for the preservation of the Soviet Union as a centralized state. His microphone was promptly cut off.

The Congress session was carefully stage-managed by Mr. Gorbachev's allies to minimize the risk of an outburst from the hard-liners. In order to make sure of their hold over the unruly hall, they arranged for the lawmakers to caucus as delegations from the republics. The floor was then given to the leaders of the republics, who endorsed the joint statement with varying degrees of enthusiasm.

"I'm not going to listen to any demonstrations or demonstrative shouts," Mr. Gorbachev said at the beginning of the afternoon session after conservatives attempted to take the microphone. The Soviet president was joined on the podium by Boris N. Yeltsin, the Russian president, who mobilized resistance to the coup.

All Communist symbols, including the traditional statue of Lenin, were removed from the Kremlin hall for the session.

The seven-point plan announced

See CONGRESS, Page 5

The Power Shift

Baltic emigrés remember a happy era before Soviet conquest. Page 4.
U.S. intelligence agencies ponder the Soviet collapse. Page 4.
François Mitterrand's reputation as a visionary statesman has suffered during recent events. Page 5.

Bush Vows No Cut In Military Budget

Reuters

KENNEBUNKPORT, Maine — President George Bush declared Monday that he would resist pressure to cut the U.S. defense budget following the the collapse of Communist rule in the Soviet Union.

Mr. Bush has asked Congress for about $295 billion for the Pentagon in the budget year beginning Oct. 1, and he told a news conference here that he would not scale back that request because, he said, "we've got to guard against the siren's call."

"I'm not going to cut into the muscle of defense of this country in a kind of an instant sense of budgetary gratification," Mr. Bush said, adding that Americans "have requirements that transcend historic concerns about the Soviet Union."

Mr. Bush emphasized the U.S. commitment to NATO, saying that "when our friends in Europe tell us there's no threat at all of any kind to their borders from anybody, then we'll take a look" at defense reductions.

The president said that Soviet nuclear weapons remained a menace to the United States.

"What I hope is, that out of all of these changes in the Soviet Union, we'll see some recognition that we're not their enemy and they'll stop aiming missiles at the United States of America," he said.

"I wouldn't predict large cuts in the defense budget. As we said, when we sent a sound defense budget to the Hill, the United States must be ready."

Mr. Bush cited the Gulf war in emphasizing that the U.S military

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Doug Mills/The Associated Press

President Bush during his news conference Monday in Maine.

U.S. Recognizes the Baltic States

By Andrew Rosenthal
New York Times Service

KENNEBUNKPORT, Maine — President George Bush stopped waiting for the Soviet Union to free the Baltics on its own and gave full diplomatic recognition Monday to Latvia, Lithuania and Estonia, the nations conquered by Stalin and now on the verge of independence from a crumbling Soviet Union.

Although Mr. Bush was following dozens of other leaders in recognizing the Baltics, he seemed to be reaching for a historic tone as he slowly read his announcement from a prepared statement on the lawn of his vacation home.

The recognition of the three countries heralds the removal of one of the powerful forces that have distorted U.S.-Soviet relations since World War II and followed a delay of several days that a senior official said was prompted by a request from President Mikhail S. Gorbachev.

"The United States has always supported the independence of the Baltic states and is now prepared immediately to establish diplomatic relations with their governments," Mr. Bush said.

The president declared that the rapid changes in the relationship between the central government and the Soviet republics marked a "watershed in Soviet political thinking," and he said he was dispatching a State Department official to begin talks about opening embassies in the Baltics.

The announcement drew immediate praise from Baltic representatives in the United States.

"This is a great step forward, from this terrible oppression we have suffered for 51 years," said Ernst Jaackson, consul general, at the Estonian legation in New York.

Mr. Bush's action opens his administration to pressure from other independence-minded Soviet republics. But he made it clear immediately after his announcement that he was not prepared to extend the same recognition to them.

He said he wanted to wait for those republics, which include the Ukraine, Georgia and Kazakhstan, to work out their relationships with the central government, in whatever form that institution will take.

"The Baltics, of course, are quite different," said Mr. Bush, who had swapped the sporting outfit he commonly wears in Kennebunkport for a tweed jacket, white dress shirt, striped tie and khaki slacks to mark the formality of the occasion.

Mr. Bush also announced that he was continuing shipments of emergency medical supplies to the Soviet Union, initiated last winter, through the end of next year, and was sending a team to survey the potential need for emergency food shipments this winter.

Mr. Bush had been expected to recognize the Baltics on Monday and, indeed, had taken some political heat for staying his hand while nearly 30 other countries and even

See BALTS, Page 4

Sovereignty at Long Last, but With an Authoritarian Push

By Francis X. Clines
New York Times Service

MOSCOW — In the spirit of desperation that has become the common denominator of Soviet politics, President Mikhail S. Gorbachev and the chiefs of the major republics took a cosmic gamble on Monday to prevent the existing union from tumbling in on itself.

They moved to take power directly into their own hands as a temporary collective executive that would sidestep legislative oversight while seeing if a workable plan is possible for repairing the tatters of national unity.

Whether they will succeed or not in keeping the semblance of a union in place is unanswerable at this point. For the Soviet empire must first see whether it can absorb still another proposed cure for its deepening crisis: the suspension of already slender constitutional and legislative powers in favor a new superbody of executives composed largely of republic leaders accorded sweeping new home-rule powers.

This latest crisis plan has at least as many open questions as its several predecessors of the past six

NEWS ANALYSIS

years. The critical unknowns include when the nation again might have fresh elections and a new constitution, whether the republics will find a better way to generate economic recovery, and the precise long-term role of Mr. Gorbachev who, for the moment at least, remains as the needed agent of national resolve.

The emergency plan represents the instant dawning of the era of republic sovereignty long sought by provinces suffering under communism, but it arrives in a pattern both decentralized and authoritarian. And, thus far, it is being pushed forward by Mr. Gorbachev and the major republic leaders with notable inattention to the nation's fledgling habit of democratic debate.

For some unspecified duration of this nation's continuing crisis, the emergency panel, the State Council, is to serve at settling "internal and foreign issues concerning common republican interests" — a more limited successor to the current, failed union government center. The council would handle such common necessities as military defense and transport services, but supposedly stay out of the republics' way.

At the same time, the republics would see to their own devices across a crazy quilt of local options that could include, according to the proposal, outright independence, a purely economic federation, or stronger ties, if preferred.

From this prescription for transitional emergency rule is supposed to flow still another plan for permanent post-Communist self-government — a new constitution and elections, and an effective reversal of the Kremlin's traditional central domination in favor of open-ended self-rule in sovereign republics.

The method chosen to undertake this plan was plainly brutal by all the progress of the past six years of reform — a scrapping of the elected Congress of People's Deputies, one of the progressive if flawed offsprings of Mr. Gorbachev's *perestroika* program, plus the suspension of much of the constitution that underpins the two years of halfway hopeful reform legislation the congress enacted.

The republic leaders and Mr. Gorbachev, who

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A Stolen Phone Credit Card Number's $3,500 World Tour

By Cindy Skrzycki
Washington Post Service

WASHINGTON — Bad news travels fast, and stolen phone credit card numbers travel faster.

The credit card number of one AT&T customer, obtained illegally July 4, was in circulation for the next 11 days, crisscrossing several worldwide long-distance networks.

The bill for the illegal calls came to $3,536.75.

The card number was stolen when a Washington Post reporter on her wedding trip got off a cruise ship on the island of Kauai in Hawaii to make a call shortly before 11 A.M. to her mother in San Francisco.

Standing at a bank of phone booths on a busy pier, she tried to use her AT&T credit card, but U.S. Sprint Communications Company was the long-distance carrier at that spot.

After a Sprint operator came on the line to explain the problem, the reporter repeated the calling card number to her several times. Within minutes, the worldwide odyssey of the card number had begun.

Someone had listened carefully, heard the number and put it into circulation.

The first illegal calls were made on the AT&T network within minutes from two places in Hawaii — Lihue and Honolulu — to Porterville, California, south of Fresno. Later in the day, calls were made to a cluster of towns and cities in California.

Calling also began on MCI Communications Corp.'s network from Porterville. Far fewer calls were made on the MCI network before the number was canceled, but many of them were overseas.

By the time the card was taken out of service 11 days later, 93 calls had been made from the same pay phone in Porterville. The calls went out over Pacific Bell Company, AT&T and MCI lines to a cluster of cities and towns in California, to the United Arab Emirates, Saudi Arabia, Yemen, Britain, Germany, Seattle, San Francisco, and Brooklyn, New York.

As the card was passed around to other states, calling became heavy on the AT&T network, with 80 calls July 12 and 155 calls July 13. By now, calls were going out from Queens, New York, as well as from Detroit, Seattle, Honolulu, Chicago and small towns in California.

From July 12 through 15, calls were made on another long-distance service provider, Telesphere Communications. All but one of the calls were placed from Brooklyn to overseas destinations.

Security officials with AT&T said spreading the use of the card number over several networks probably kept it in service for so long, avoiding the normal alarms that are set off by unusual volumes of calls by an AT&T customer.

When the reporter returned home on July 21, she was notified by telephone company officials that the card number had become stolen property and had been misused. The officials were alerted by a high volume of long-distance calls on at least two days.

AT&T took the number out of service at midnight July 13, but calls continued for two days on other carriers. The reporter got $3,500 in bills in early August, but the companies told her that the charges from the theft would be forgiven.

Yugoslav Accord: A Reluctant Peace

By Blaine Harden
Washington Post Service

BELGRADE — The Serbian president, Slobodan Milosevic, sat stone-faced and silent early Monday after signing an agreement that invites foreigners to monitor an end to an ethnic war that Western governments blame him for having started in the first place.

Refusing to applaud or drink a toast to the European Community-

NEWS ANALYSIS

brokered agreement, Mr. Milosevic quickly rose to his feet in a Belgrade conference room, lowered his head and tried to plough through a group of diplomats and journalists.

But before he could escape, Foreign Minister Hans van den Broek of the Netherlands elbowed his way after the Serbian leader and put him on the spot.

Mr. van den Broek, who as president of the Community has singled out Serbia as the aggressor in a war that has killed nearly 300 people in the

See SERBS, Page 5

Hard Times, Hard Lines for Homeless

By Isabel Wilkerson
New York Times Service

NEW YORK — Ten years after the wan face of homelessness first captured the nation's attention, empathy is turning to intolerance as cities impose harsher restrictions on homeless people to reduce their visibility or force them to go out on their own.

New York, Santa Barbara, California, and many other cities are acting out of both frustration and desperation, pressed by hard times and by a public that has grown increasingly impatient with a problem that has worsened despite programs aimed at relieving it and previous shows of good will.

"People want to help, but they don't want to feel that they're just being suckers," said Mayor Loni Hancock of Berkeley, California.

Atlanta, which is preparing for the 1996 Summer Olympics, passed a law in July authorizing the police to arrest anyone loitering in abandoned buildings or engaging in "aggressive panhandling."

New York's transit authority has banned panhandling in the subway system and imposes a $50 fine on anyone caught doing so.

In Miami, panhandlers who approach motorists at intersections to wash car windows face a fine of as much as $500 and a jail sentence of as many as 60 days.

In August, Washington closed two emergency shelters and announced plans to eliminate half the beds in its shelters. It also plans to restrict the number of nights that homeless people can stay in them. The city's tough stance comes with public backing. A 1984 law required the city to shelter all in need; last fall the voters repealed it.

Last year, Santa Barbara banned homeless people from sleeping on public streets, beaches, sidewalks and parking lots. The measure leaves them to sleep on a public lot full of eucalyptus trees, out of sight of downtown boutiques.

Advocates for the homeless and city officials see these as signs attitudes are hardening toward what was a badge of social responsibility in the 1980s when people could better afford to be magnanimous.

"People are a bit weary," said Mary Brosnahan, executive director of the Coalition for the Homeless, a New York advocacy group. "They have heard all the solutions for the last 10 years, but it doesn't seem to make a dent in the problem."

The world is a different place than it was just over a decade ago when homeless people were swept from Madison Square Garden in

See HOMELESS, Page 2

Kiosk

Mine Destroys Aid Plane in Sudan

NAIROBI (Reuters) — A Red Cross plane carrying relief supplies to the war zone in southern Sudan was blown up Monday by a mine on an airstrip at the besieged government-held town of Wau.

Five crew members were injured and the C-130 transport was destroyed, the Red Cross reported. It said the plane hit the mine as it was taking off after delivering supplies to Wau, which is surrounded by rebels of the Sudan People's Liberation Army.

General News

Democratic presidential candidates are going to have to take risks, analysts say. Page 3.
John Major arrived in Beijing, ending a period of Western ostracism of China. Page 2.

Business/Finance

Westland and IBM won a contract to build 44 helicopters for the Royal Navy. Page 9.
Crossword Page 8.
Weather Page 2.

Fighting Shatters Truce

By John Tagliabue
New York Times Service

ZAGREB, Yugoslavia — Yugoslavia's latest cease-fire was shattered while still in its infancy Monday, and Croatia's leader said he believed the violations could undermine the accord.

"They are very serious indeed," President Franjo Tudjman of Croatia said, "not only because people are being killed and towns and villages destroyed, but because through this agreement we could have reached a peaceful solution, and now Serbia is trying to prevent this."

Earlier, federal army units in the Patrinja, about 45 kilometers (30 miles) south of Zagreb, lobbed mortars at a bus station where officials had refused for five hours to take down the Croatian flag, according to Austrian journalists there. MiG jets wheeled over the city. In eastern Croatia, along the Danube, federal tanks entered several towns and fired at homes.

The fighting came only hours af-

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In Era of Urban Ills, Hong Kong Has a Blight of Monkeys

By Barbara Basler
New York Times Service

HONG KONG — In a hilly patch of woods on the edge of a crowded urban neighborhood here, 700 wild monkeys have created their own unlikely little kingdom, where the young learn not only how to swing through the trees and pick tender bamboo shoots, but also how to cross a concrete bridge and open a pop-top can of Tsingtao beer.

These animals, which zoologists believe are largely descended from abandoned pet monkeys, live a startlingly urban life in the small wood that Hong Kong residents now call Monkey Hill.

Today, their very success in the face of the rigors of urban life threatens their survival, as neighbors complain that the monkeys have grown too numerous and too audacious to be allowed their freedom. A zoologist called in by the World Wide Fund for Nature concedes that in the end, the only answer to the problems of Monkey Hill may be to trap and kill some of the more aggressive monkeys.

"Something must be done," an elderly Chinese woman said. "I cannot leave my house to shop, to walk, without carrying a stick to keep away the monkeys."

The animals have become so accustomed to receiving food from visitors to Monkey Hill that when they need more they steal.

Quick, agile and intelligent, the monkeys have learned to travel beyond the green trees of the Kowloon reservoirs, leaping onto nearby apartment balconies, darting across the roofs of houses, even dancing along telephone wires in search of food.

Neighbors say the monkeys, which range from tiny babies to 30-year-old adults weighing nearly 10 kilograms (20 pounds), snatch food from children, raid gardens and even grab whole bags of groceries from passing shoppers.

Students at the Sir Robert Black School of Education near Monkey Hill complain that the animals menace them as they walk across the concrete pedestrian bridges that span busy Tai Po Road.

Residents of fashionable apartments on Caldecott Road have stories and even videotapes of the monkeys' invasions, with the animals climbing into their homes, through open windows, to take food.

Cecilia Wong, who lives in a second-floor apartment in the Caldecott complex, said that a monkey recently reached inside her window and tried to grab a piece of bread her child was eating.

A neighbor, she said, had an even stranger encounter, when, after placing a bowl of fresh fruit on the dining room table, "five or six monkeys climbed inside the house and were sitting on the table eating the centerpiece."

Over the years, the monkeys have become a popular tourist attraction, and Hong Kong residents, taking double-decker city buses or taxis, now come by the hundreds each weekend to feed them, a practice that has contributed to the sharp increase in the monkey population and to marked changes in the animals' behavior.

"In the wild, they are very shy, very timid around people," said John Fellowes, a London zoologist who has been studying the monkeys here. "But on Monkey Hill, they have lost their fear of people. They have become urban monkeys, and they are aggressive."

The World Wide Fund for Nature, concerned about the future of the monkeys, hired Mr. Fellowes to study life on Monkey Hill and recommend a solution.

"Right now, we have a monkey population that has exploded because there are no natural controls," he said. The monkeys get more than half of their food from humans, "and even if we could get them to return to natural feeding, the woods here couldn't supply enough food for all of them."

On any Sunday, the monkeys gather near the Tai Po Road bus stop and along the public path through the reservoir wood braving shouting, laughing crowds. As eager children reach out to pet them, the monkeys deftly rip open bags of potato chips or sip cans of Coke.

Many working-class families spend lavishly on food for the monkeys, carting bags stuffed with eggs, fruity yogurt, peanuts, chocolate bars, loaves of white bread and little plastic containers of jelly.

Ben Lan, a student at Hong Kong University who has been studying the monkeys, said: "The diet isn't very good, but the people mean no harm. They regard the monkeys as people and bring them treats they would bring their friends."

Mr. Fellowes, who has been studying the monkeys for almost a year, said they were a mixture of several kinds of macaque monkeys, some of whom were never native to Hong Kong but who came from Japan and Tibet.

Experts say they believe abandoned or confiscated monkeys were released at the Kowloon reservoir, where they mixed with a few of the rhesus monkeys that were once native to Hong Kong.

Major in China, Ending Ostracism

By Sheryl WuDunn
New York Times Service

BEIJING — With a 19-gun salute on the west side of Tiananmen Square, Prime Minister John Major of Britain on Monday became the first leader of a Western country to visit China and shake hands with Prime Minister Li Peng in more than two years.

Mr. Major arrived in Beijing on Monday for three days of talks with leaders and to sign an agreement for a new airport in Hong Kong. The agreement, which allows China a larger role in the colony, is expected to help shape not only the future of Hong Kong but also the direction of Beijing-London relations.

"We live in a changing world in which events are moving very rapidly and very speedily and sometimes in the most unexpected way," Mr. Major said. "I think this argues strongly for the closest possible consultation."

Although the main purpose for the visit is to sign the airport accord, he is also expected to discuss bilateral and international issues, including Hong Kong matters and human rights in China.

Despite China's warm welcome at the square which was the focal point for pro-democracy demonstrations and a military crackdown on June 4, 1989, China has not gone out of its way to play up the visit. Indeed, on the evening national television news, Mr. Major's arrival was the second item — after the announcement that Chinese leaders had presented science awards to researchers who had made contributions during the latest five-year plan.

The official press has offered little advance coverage of the visit. In contrast, there was a rush of articles last month on Chinese-Japanese relations before the arrival of Prime Minister Toshiki Kaifu. The explanation may be that China expects Mr. Major to raise human-rights questions more directly than Mr. Kaifu, and that China may feel snubbed because Mr. Major made a last-minute stop in Moscow on his way to Beijing.

Mr. Major indicated to several British reporters that he would push Chinese leaders on the human-rights issue as far as he could without damaging bilateral relations. Mr. Kaifu mentioned the topic only in the context of demands raised by the major industrial countries at the economic summit meeting in London earlier this summer.

China's playing down of the visit may also reflect the fact that Mr. Major's visit is not likely to mean the restoration of normal relations between Britain and China. Mr. Major is unlikely to offer economic aid, and some European Community sanctions have not been lifted since the crackdown two years ago.

Moreover, despite the airport agreement, plans for the airport are still running into snags.

Andreas Altwein/Agence France-Presse

Andreas Kühnpast, left, a former Berlin Wall guard, arriving at court Monday as the trial opened.

Berlin Wall Guards' Trial Begins

Reuters

BERLIN — Four former East German border guards went on trial Monday for killing a defector at the Berlin Wall in a case that may decide whether the German courts can redress violent acts of the defunct East German government.

The guards are accused of shooting a young East Berliner in February 1989 in the last known killing at the wall before East Germany's democratic revolution late that year.

Their involvement in the shooting is not disputed. At issue is whether, and to what extent, former border troops can be prosecuted retroactively under the West German criminal code that was extended to the east upon unification. The fate of about 300 cases involving former border troops and Communist Party leaders could hinge on the outcome.

Progress Toward a Bomb-Proof Airplane

Reuters

LONDON — A British arms company said Monday that it was developing blast-protection systems that could make air travel safe from extremist bomb attacks.

Royal Ordnance, a munitions and weapons maker, said it had patented lightweight materials designed to soak up shock waves from a bomb blast like a sponge and which could be used to line luggage containers and cargo holds.

"The results we have on our testing to date are most encouraging," said a spokesman for the company, a subsidiary of British Aerospace. He said Royal Ordnance was seeking funds from the British Civil Aviation Authority for the project, which also involves a system of "blow-out panels" to direct blast waves safely out through the aircraft fuselage.

The research was given impetus by the inquiry into a bomb attack on a Pan Am Boeing 747 that exploded in midair over Lockerbie, Scotland, in December 1988, killing 270 people.

The explosion, caused by a bomb in a suitcase in the cargo hold, crippled controls and sent shock waves along ducts and cavities, ripping the plane apart and scattering wreckage over a wide area.

Royal Ordnance, which helped in the inquiry, said it was testing panels of the material and expected to be able to demonstrate the system's capability in two years.

"It is possible that you could put it into existing aircraft, but it is more readily applicable to the next generation," the spokesman said.

The aviation agency said various companies in Britain and elsewhere were conducting research into blast-absorbent systems as a result of the Lockerbie disaster and other midair explosions.

It has invited aviation authorities from North America and Europe to a meeting at Gatwick airport, south of London, on Sept. 17 and 18 to assess research, attempt to coordinate development programs and standardize requirements.

"It's very early days," a spokesman said. "A lot of research has got to be done to really identify what we are trying to guard against, whether it is a small or a large explosion and where they can be contained in an aircraft."

HOMELESS: *In U.S. Cities, Patience Wearing Thin*

(Continued from Page 1)

New York on the eve of the Democratic National Convention in 1980, an incident that gave birth to a nationwide advocacy movement.

That was before crises like AIDS and crack that competed for the nation's compassion even had names, and before recession made life tougher for everybody.

In the early, naive days of the homeless crisis, people pinned their hopes on soup kitchens and shelters to reduce the number of people sleeping in doorways. But the numbers only grew.

Now as homelessness moves into its second decade unresolved, people are experiencing a kind of compassion fatigue, as Mayor Hancock of Berkeley, calls it.

In that city, where tolerance is a religion, officials have taken steps to keep the homeless from abusing the public's generosity. In July, the city arranged for residents to buy vouchers from local merchants that they can give to homeless people instead of cash, which can easily be used for drugs or liquor. The homeless redeem the vouchers for food or laundry service.

No city officials contacted last week would say publicly that they were seeking to push the homeless aside. But all said they were feeling the public's impatience.

"In a sense, the fad is over with," said Paul Relman, acting president of Central Atlanta Progress, a business group that pushed the city to regulate the homeless. "I don't know if it's tolerance or it's, 'Let's just not see it anymore.'"

Statements like those disturb advocates. Such sentiments are taken as evidence that people may be becoming inured to the sight of disheveled people pushing their life's possessions in a shopping cart or washing on the sidewalk.

It is in this new climate that merchants and others are speaking out in ways that would have been considered blasphemous not long ago. At the urging of merchants in Santa Barbara, one downtown plaza is being rebuilt to remove the seats that invite the homeless.

"Our goal is to make things as uncomfortable for them as we can so they can move on," said Pete Gherini, president of the Santa Barbara Chamber of Commerce. "When you look at these characters sitting out in the middle of the day when everybody else is working just to survive, you don't get a lot of sympathy."

Part of the problem, advocates say, is that career panhandlers have capitalized on public sympathy. The careerists are now hard to distinguish from the downtrodden.

On the tiled sidewalks of downtown Santa Barbara, homeless people with shopping carts and backpacks walk briskly past the palms and bougainvillea, and they tend not to linger in front of the adobe-style storefronts.

"They're trying to run us out of here," said Paul Stellwag, a homeless man wearing a bandana across his forehead and carrying his possessions on his back. "It's getting worse and worse and worse. I can feel the animosity."

Mr. Stellwag says he believes that the hard time he and others are getting is because of the city's concern for tourism. "I don't give a flying hoot about the damn tourists," he said. "If they tried to help us, we wouldn't be here."

But, there is widespread agreement that even private generosity would not solve the problem. The main flaw in public policy, advocates say, is that emergency shelters and soup kitchens do nothing about the root causes of homelessness — poverty, lack of affordable housing, a changing economy that has eliminated entire classes of well-paying, low-skilled jobs.

Soviet General Questions Faster German Pullout

Reuters

BERLIN — Apparently contradicting the new Soviet defense minister, Moscow's military commander in East Germany has said that the withdrawal of more than 250,000 Soviet troops could not be speeded up because of logistical problems.

"The pullout will be carried out according to treaty obligations through 1994," the commander, Colonel General Matvei Burlakov, said in a statement issued Sunday at his headquarters in Wünsdorf, outside Berlin. Withdrawals since the beginning of 1991 have cut Soviet troop strength in Germany from 360,000 to 257,000.

Marshal Yevgeni I. Shaposhnikov, appointed as defense minister after the collapse of the coup, said last week that the withdrawal would be completed faster than planned. Observers said the German government privately fears that the withdrawal could be disrupted by the Soviet Union's disintegration.

General Burlakov said pullout obstacles included lack of housing for returning troops and technical problems in removing forces via Poland and the Baltics. He said apartments for 55,000 military families had yet to be built.

No Soviet A-Arms In East Germany

Reuters

MOSCOW — Defense Minister Yevgeni I. Shaposhnikov has said that all Soviet nuclear weapons have been withdrawn from eastern Germany, Tass reported.

Moscow hinted last year that all nuclear arms had been removed from eastern Germany. But earlier this year, a Soviet official said that not all nuclear weapons had been withdrawn.

Marshal Shaposhnikov, appointed after the failed coup in Moscow, also told the German ambassador to the Soviet Union that Soviet troops in the former East German state had never had chemical arms.

Treason Charges Are Filed Against 6 in Coup Plot

Reuters

MOSCOW — Treason charges were formally filed on Monday against six leaders of last month's failed Soviet coup, a spokeswoman for the Russian prosecutor's office said. All face possible death sentences if convicted.

Those charged were former Prime Minister Valentin S. Pavlov; former Defense Minister Dmitri T. Yazov; the former head of the KGB, Vladimir A. Kryuchkov; former Vice President Gennadi I. Yanayev; Oleg Baklanov, a deputy chairman of the Defense Council, and Alexander Tizyakov, head of the Association of State Enterprises.

The leader of the collective farm system, Vasili Starodubtsev, was to be charged later in the day, the spokeswoman said.

All seven were members of the self-proclaimed State Emergency Committee that announced on Aug. 19 that it was taking power. An eighth leader, Interior Minister Boris K. Pugo, committed suicide.

Treason charges have also been brought against the head of the KGB guards, Major General Yuri S. Plekhanov. Similar charges are expected against the former speaker of the Soviet parliament, Anatoli I. Lukyanov.

CORRECTION

Though the map in the May 28 advertising section on Pakistan did not show the borders for Kashmir, it should have indicated that Kashmir is considered disputed territory.

WORLD BRIEFS

Iraqi Chemical Munitions Destroyed

BAGHDAD (Reuters) — Iraq has started destroying bombs and shells designed to carry chemical weapons, the head of a United Nations inspection team said on Monday.

The official, James Knapp, a Canadian who leads one of the two teams supervising preparations for the disposal of Iraq's chemical arsenal, said destruction of the empty munitions began on Sunday. He said the destruction of chemical agents would take place later.

The operation is being carried out at the Muthana storage site. A UN team that earlier visited Muthana, about 100 kilometers (60 miles) northwest of Baghdad, described it as a "chemical dustbin." The two units are the third and fourth chemical weapons inspections teams to visit Iraq under terms of the Gulf war cease-fire, which orders Baghdad to eliminate all its weapons of mass destruction.

Solidarity Tries to Bypass Parliament

WARSAW (Reuters) — The Solidarity-led government unveiled plans on Monday to bypass parliament temporarily on most economic issues and hand down decrees with the force of law.

The government sent a bill to the Sejm, the lower house of parliament, seeking special powers to issue decrees and break a legislative logjam holding up many free-market measures. A spokesman said the changes the government was seeking would also strengthen the powers of President Lech Walesa.

Prime Minister Jan Krzysztof Bielecki decided to demand the measures after a confrontation last week with parliament over drastic budget cuts forced by a steep recession. He emerged with a vote of confidence after offering the government's resignation.

Mandela Visits 3 Hunger Strikers

PRETORIA (AFP) — Nelson Mandela, the president of the African National Congress, met Monday with three imprisoned activists who were hospitalized because of a hunger strike. He said he would ask President Frederik W. de Klerk to heed their appeals that they are political prisoners and to free them.

Mr. Mandela said that the three men had "very important information about the National Intelligence Service and military intelligence" and that they should be granted immunity from prosecution to make the information public.

Henry Martin, a Briton, began his 57th day without food on Monday, while Adrian Maritz and Lood van Schalkwyk, both South Africans, were in the 50th and 43d days of their fasts. They are demanding to be regarded as political prisoners and freed under an accord reached last year between the ANC and Pretoria. The three are accused of one bombing in which a man was killed and another in which 13 people were wounded.

Iliescu, in Israel, Meets With Shamir

JERUSALEM (AFP) — President Ion Iliescu of Romania opened a three-day visit to Israel on Monday by holding talks with Prime Minister Yitzhak Shamir on a recent revival of anti-Semitism in Romania.

Mr. Iliescu, who is making the first visit by a Romanian head of state, also signed an economic agreement with Israel. The volume of trade between the two countries is about $50 million per year.

During his visit, Mr. Iliescu will meet with President Chaim Herzog and have talks with David Levy, the foreign minister. Mr. Levy told Israeli radio that he would ask Mr. Iliescu to introduce a law prohibiting anti-Semitism in Romania, the only Eastern bloc country not to have broken diplomatic ties with Israel after the 1967 Middle East war.

Aquino Is Still Hopeful on Subic Bay

MANILA (AP) — President Corazon C. Aquino said Monday that she still hoped the Philippine Senate would allow the U.S. Navy to stay at Subic Bay despite a failure by Representative J. Stephen Solarz to sway opponents of the American presence.

The lease on Subic and Clark Air Base expires in two weeks, and supporters admit they lack the votes for an extension. American and Philippine officials reached an agreement July 17 under which the Americans would give up Clark next year but keep Subic for 10 more years in return for $203 million in annual aid.

But two-thirds of the 23 members of the Philippine Senate must ratify the extension before the current agreement expires Sept. 16. The Senate foreign affairs committee opened hearings on an agreement Monday. Mr. Solarz, Democrat of New York, the chairman of the House subcommittee on Asian and Pacific affairs, said that he had urged senators to accept the agreement but that "they have their own minds." Mrs. Aquino said, "As of now, we are still hopeful that the Senate will, as a body, do what is in the best interest of the Filipino people."

TRAVEL UPDATE

The EC's transport commissioner called for a single air-control network to replace the patchwork of national systems monitoring European skies. The commissioner, Karel van Miert, said Monday that "it is exasperating to see that individual systems may have a reasonable capacity but because of organizational differences, technical incompatibility, and missing computerized communication links, they cannot operate as one system." Most of the EC countries jealously guard the right to manage their own airspace. This has led to 12 different, often incompatible, systems, complicating international flights in Europe. *(AP)*

Pan American World Airways said the sale of its trans-Atlantic routes to Delta Airlines did not include the Paris-Miami service, which it will continue to operate three times a week. The airline said the Paris-Miami service would link up with the rest of the remaining Pan Am network serving 17 destinations in the Caribbean and South America. *(AFP)*

Bern streetcar travelers will be able to phone anywhere in the world from an onboard phone booth. Initially only one trolley will be fitted with a phone booth in an experiment to see if the idea should be extended to the rest of the city system. Local calls will cost 50 Swiss centimes (33 cents) a minute, while international calls will be four francs. *(AFP)*

The Weather

Forecast for Wednesday through Friday

North America
Showers and thunderstorms will dampen a belt from Dallas and Houston to Montreal and Boston Wednesday, and showers are possible again Thursday. Chicago and Detroit will be dry at midweek. California will be warmer than usual and mainly dry.

Europe
London and Paris will have seasonable weather Wednesday through Friday. After morning fog, afternoons will become partly sunny. Geneva will be warm with plenty of sunshine. Sunshine will also be the rule in Madrid and Lisbon.

Asia
Late-summer warmth will remain the rule from Beijing to Tokyo through at least Friday. Any rain that occurs will fall for only a fraction of the time. Daily showers will bring relief from the daytime heat in Manila, Singapore, Bangkok and Hong Kong.

Europe

	Today High	Today Low Wx	Tomorrow High	Tomorrow Low Wx
Algarve	26/79	17/62 pc	25/77	17/62 pc
Amsterdam	21/70	13/55 pc	21/70	13/55 pc
Athens	30/86	18/64 s	30/86	19/66 pc
Barcelona	29/84	17/62 s	32/89	17/62 pc
Belgrade	28/82	16/61 s	27/80	15/59 s
Berlin	24/75	12/53 pc	23/73	12/53 sh
Brussels	21/70	13/55 pc	21/70	12/53 pc
Budapest	27/80	14/57 s	28/79	13/55 s
Copenhagen	18/64	11/52 sh	18/64	10/50 pc
Costa Del Sol	32/89	20/68 pc	32/89	19/66 pc
Dublin	21/70	11/52 pc	21/70	11/52 pc
Edinburgh	17/62	8/46 pc	17/62	8/46 pc
Florence	29/84	18/66 pc	29/84	18/64 pc
Frankfurt	24/75	16/61 pc	24/75	15/59 c
Geneva	25/79	14/57 s	26/79	14/57 s
Helsinki	23/73	12/53 pc	22/71	11/52 pc
Las Palmas	28/82	19/66 pc	28/82	18/66 pc
Lemberg	23/73	12/53 pc	23/73	12/53 pc
Lisbon	24/75	16/61 pc	24/75	16/61 pc
London	21/70	11/52 s	23/73	11/52 s
Madrid	28/82	16/61 t	28/82	16/61 pc
Milan	27/80	15/61 pc	27/80	16/61 pc
Moscow	21/70	8/46 s	22/71	8/46 pc
Munich	28/82	13/55 pc	26/79	13/55 c
Nice	27/80	18/61 s	27/80	18/61 s
Oslo	18/64	13/55 sh	19/66	11/52 pc
Paris	23/73	11/52 s	23/73	11/52 s
Prague	27/80	12/53 pc	24/75	12/53 pc
Reykjavik	13/55	6/43 pc	13/55	5/41 pc
Rome	30/86	19/66 pc	30/86	19/66 pc
Stockholm	18/64	12/53 pc	19/66	11/52 pc
Strasbourg	25/73	12/53 pc	22/71	12/53 pc
Tallinn	23/73	12/53 pc	22/71	12/53 pc
Venice	31/88	18/64 pc	29/84	18/64 pc
Vienna	26/79	13/55 s	24/75	12/53 s
Warsaw	26/79	11/52 s	24/75	13/55 pc
Zurich	24/75	12/53 pc	24/75	13/55 pc

Middle East

Ankara	28/79	10/50 t	24/75	10/50 pc
Beirut	33/91	21/70 s	33/91	21/70 s
Cairo	33/91	22/71 s	33/91	22/71 s
Damascus	36/97	18/64 s	36/97	19/66 s
Istanbul	29/73	12/53 sh	28/71	13/55 pc
Jerusalem	28/82	18/64 s	28/82	18/64 s
Riyadh	42/107	25/79 s	41/105	27/80 s

Oceania

Auckland	14/57	7/44 sh	14/57	8/46 pc
Sydney	22/71	12/53 pc	22/71	13/55 pc

Asia

	Today High	Today Low Wx	Tomorrow High	Tomorrow Low Wx
Bangkok	33/91	23/73 t	33/91	23/73 pc
Beijing	28/82	18/64 pc	30/86	20/68 t
Hong Kong	29/84	23/73 pc	29/84	24/75 pc
Manila	33/91	24/75 t	33/91	25/77 t
New Delhi	33/91	24/75 pc	33/91	24/75 pc
Seoul	28/84	18/64 pc	27/80	18/64 t
Shanghai	28/82	25/77 sh	29/84	24/75 t
Singapore	31/88	27/80 sh	31/88	26/79 t
Taipei	32/89	24/75 pc	29/84	24/75 pc
Tokyo	31/88	23/73 pc	31/88	23/71 sh

Africa

Algiers	35/97	24/75 s	35/100	23/73 s
Cape Town	17/62	4/39 pc	17/62	5/41 pc
Casablanca	31/88	24/75 s	31/88	24/75 s
Harare	27/80	14/57 pc	26/79	22/71 pc
Lagos	30/86	24/75 t	30/86	25/77 pc
Nairobi	24/75	13/55 pc	24/75	13/55 pc
Tunis	32/89	22/71 s	32/89	22/71 s

Latin America

Buenos Aires	16/61	6/43 pc	12/53	5/41 pc
Caracas	32/89	24/75 pc	32/89	24/75 pc
Lima	19/66	12/53 pc	19/66	12/53 pc
Mexico City	26/77	16/61 pc	25/77	16/61 pc
Rio de Janeiro	22/71	16/64 pc	22/71	13/66 pc
Santiago	16/61	4/39 sh	16/61	5/41 pc

North America

Anchorage	14/57	10/50 r	14/57	8/46 r
Atlanta	27/80	19/66 pc	28/82	20/68 t
Boston	27/80	16/61 s	26/79	15/59 s
Chicago	27/80	17/62 t	25/77	13/55 pc
Denver	28/82	12/53 t	27/80	13/55 t
Detroit	28/82	17/62 t	26/79	12/53 t
Honolulu	31/88	24/75 pc	29/84	24/75 t
Houston	33/91	22/71 t	32/89	22/71 pc
Los Angeles	31/88	19/66 s	29/84	20/68 t
Miami	32/89	25/77 t	32/89	24/75 t
Minneapolis	26/79	14/57 t	25/77	13/55 s
Montreal	25/77	15/59 s	23/73	11/52 pc
New York	31/88	24/75 t	32/89	25/77 pc
Phoenix	40/104	28/82 s	39/102	28/82 s
San Fran.	25/77	15/59 pc	24/75	14/57 pc
Seattle	27/80	13/55 s	26/79	13/55 s
Toronto	26/79	14/57 pc	25/77	13/55 t
Washington	28/82	18/64 s	30/86	20/68 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice.
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Israelis Expect to See Baker

But Bush Asserts No Trip Is Set

Compiled by Our Staff From Dispatches

JERUSALEM — Secretary of State James A. Baker 3d will return to the Middle East this month to conclude terms with both Israelis and Arabs for a peace conference, the Israeli Foreign Ministry said Monday.

But President George Bush said there were no immediate plans for a new trip by Mr. Baker.

Speaking Monday in Kennebunkport, Maine, Mr. Bush also said he did not think the turmoil in the Soviet Union had adversely affected Middle East peace prospects. "The ball lies in other courts," he said.

Israeli press and diplomatic sources said Mr. Baker was expected in Jerusalem next week after the Jewish New Year, Rosh Hashana, on Monday and Tuesday.

It would be the seventh visit to the region by Mr. Baker, who has been trying since the end of the Gulf war to coax Israel and its neighbors to a conference tentatively scheduled for next month.

"There have been exchanges, communications between us and the Americans and talks with the Arab countries to tie the whole thing up," said a Foreign Ministry spokesman, Zeev Dover. "There are still some questions that have not been finalized."

Differences over terms for attending peace talks and the events in Moscow have raised doubts over timing, but Mr. Dover said Israel had not been told of any change in the October date.

The Israelis want Mr. Baker to provide assurances of U.S. support on key issues in advance. Palestinians want him to reaffirm a U.S. commitment to a settlement based on trading land for peace, which Israel opposes.

Mr. Baker, who has secured a Soviet role as co-sponsor of the peace talks, is unlikely to receive conclusive answers from either the Israelis or the Palestinians.

The Israelis will not commit themselves to attending until they know the nature of Palestinian participation. *(Reuters, UPI)*

Bir Zeit to Remain Closed

Agence France-Presse

JERUSALEM — Israel has extended by three months the closure of Bir Zeit University in the occupied West Bank for failing to guarantee the campus would not serve as a center of anti-Israeli activity. The campus has been shut since 1987.

For Underdog Democrats, a Premium on Risk

By E. J. Dionne Jr. and Dan Balz
Washington Post Service

WASHINGTON — Paul E. Tsongas, the former Massachusetts senator who for months was referred to as "the world's supply of Democratic presidential candidates," is about to get a lot of company.

After a summer of indecision, as many as five Democrats could join the race for the nomination this month. And the sudden addition of Senator Bob Kerrey of Nebraska to the list last week has scrambled expectations of how the race will take shape and sent potential opponents to rethink their game plans.

The late-starting Democratic race will be unusual for several reasons.

In contrast to recent campaigns, the contest will begin without a clear front-runner, largely because the candidates most likely to be in the race by the end of the month have little national standing.

In contrast to 1988, say some Democratic operatives, the 1992 race will reward candidates who take risks. With the time short and no candidate likely to enjoy the fund-raising edge that Michael S. Dukakis had four years ago, the premium this year could be on excitement rather than survival.

And if the Reverend Jesse L. Jackson does not run in 1992, as many Democrats believe, this could be the first campaign in several cycles in which all candidates compete for the black vote, although Governor L. Douglas Wilder of Virginia, the nation's first elected black governor, would begin with an edge.

By the end of September, the Democratic field is expected to include, in addition to Mr. Tsongas, Mr. Kerrey and Mr. Wilder, Senator Tom Harkin of Iowa, Governor Bill Clinton of Arkansas and perhaps the former California governor, Edmund G. Brown Jr.

Many Democrats do not believe Mr. Jackson will run in 1992, but he continues to intrigue and tease; he spent part of the Labor Day weekend in Iowa, the scene of the first caucuses.

In the meantime, Governor Mario M. Cuomo of New York looms large on the sidelines, insisting he is not running but continuing to speak on national issues. Last week, his office released letters he sent to Democratic congressional leaders urging them to move quickly on a domestic economic agenda.

Until Mr. Kerrey's announcement, the most likely dynamic on the Democratic side had been a debate over the future of the party between Mr. Harkin, who emphasizes the need for Democrats to return to their liberal and populist roots, and Mr. Clinton, whose roots are also in Democratic liberalism but who has been issuing a centrist challenge. Mr. Clinton hopes to unite moderate Southerners with some of the new-style, middle-class Democrats who were drawn to Gary Hart in 1984.

But Mr. Kerrey mixes things up because, while he is generally liked by liberals and threatens Mr. Harkin's midwestern base, his campaign is expected to emphasize the new and the fresh.

"When it was just a Harkin-Clinton thing, it was beginning to take on the qualities of a factional feud, sort of like Kennedy-Carter, McGovern-Humphrey," said Bill Carrick, a Democratic strategist, referring to the divisive 1980 and 1972 Democratic battles. "The Kerrey thing starts to put another dimension in it, as a candidate who is a synthetic blend."

But there will be other synthetic blends. Mr. Wilder combines an appeal to members of the party's most liberal wing, African Americans, with a fierce message of fiscal conservatism and a nationalist call to "Put America First."

Mr. Tsongas mixes 1960s social liberalism with an insistence that Democrats need to pay attention to the needs of business. He, too, plays the nationalist card, calling on Americans to be "economic patriots" in the competitiveness battle with Japan and Germany.

Finally, there is Mr. Brown, a man who once spoke of the need to move left and right "at the same time." If he runs, as expected, he will stand as the outsider's outsider, the critic of a distant, alienating political system that ignores the future and shuts out average citizens.

Brian Lunde, who managed Senator Paul Simon's 1988 nomination campaign, said Mr. Brown's anti-politics message could transcend the internal party debate.

"He could run an anti-system campaign, rather than an anti-party campaign," Mr. Lunde said.

Although Mr. Brown must combat a reputation for mysticism and a reluctance to focus on the day-to-dayness of politics, Mr. Lunde argued that "if he conducted himself in a disciplined, focused way, people might be able to move beyond the past reputation."

Although Republicans and even some Democrats speak of all these candidates as lacking the stature to challenge President George Bush — the man who won a war and presided over foreign policy as America's main adversary, the Soviet Union, imploded — they have among them the potential to unleash a lively debate.

And their very lack of national standing may make all of them more aggressive.

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New Disney Game: Lobbying

By Alan C. Miller
Los Angeles Times Service

WASHINGTON — They may not call it "Mickey Mouse Goes to Washington," but Walt Disney Co. is moving aggressively to raise its profile in the U.S. capital and in statehouses and city halls.

In a departure from years of aloofness from heavy lobbying, the company is sharply increasing campaign contributions to key legislators and stepping up its efforts to influence legislation and government regulation.

At the national level, Disney, its executives and employees pumped $477,391 into congressional races and political committees in 1989 and 1990 — a 27 percent increase over the previous two-year cycle, according to a Los Angeles Times computer-assisted study of records filed with the Federal Election Commission. The funds went largely to politicians who were in positions to assist Disney by shaping legislation.

Meanwhile, Disney has hired its first full-time Washington lobbyist, Richard M. Bates, former executive director of the Democratic Congressional Campaign Committee, at a salary of $150,000 a year, and has retained other Washington lobbyists to handle specific issues. It also regularly flies top executives to Washington to testify or lobby.

Admittedly, establishing a Washington presence — and making large campaign contributions — is not unusual for prominent entertainment companies that have high stakes in regulatory and legislative battles. Companies like Paramount and Time-Warner have maintained Washington lobbyists for years, and their executives and political action committees contribute large sums to legislators. If anything, Disney has come relatively late to the Washington game.

Disney's bid to increase its political clout comes as the entertainment giant is acquiring a full plate of legislative objectives. It is seeking to keep foreign markets open for its films and television shows, to enforce copyright protection for its lucrative movies and retail products and to prevent television networks from rolling back a rule that prohibits them from owning the programs they show.

Moreover, Disney is trying to expand its entertainment empire in Southern California and Florida. The company saw phenomenal growth in the 1980s under Michael D. Eisner, its chairman and chief executive officer, and Frank G. Wells, its president. Now, Mr. Eisner boasts, the 1990s will be the "Disney decade."

"Our three lines of business are frequently impacted by developments in legislation, regulation and international trade," said Joseph Shapiro, Disney's senior vice president. "Washington is a focal-point for those areas of activity."

The leading recipient of campaign contributions from Disney and its employees is Senator Bill Bradley, Democrat of New Jersey.

Mr. Eisner, an old friend, is the host at fund-raisers for Mr. Bradley in Los Angeles that are attended by hundreds of Hollywood executives. One such event — at which the co-hosts were Mr. Eisner and Michael Ovitz, head of Creative Artists Agency — netted $600,000 for Mr. Bradley in 1989.

In addition to Mr. Eisner's personal relationship, a key Disney figure noted, Mr. Bradley sits on the Senate Finance Committee, which handles tax issues that concern Disney.

Next on Disney's list is Senator Al Gore Jr., Democrat of Tennessee, a 1988 presidential candidate. Mr. Gore also sits on the Commerce, Science and Transportation panel and on its communications subcommittee. Mr. Gore received $18,500 in 1989-90 and a total of $33,500 in the last four years.

Geography is apparently another incentive in Disney's giving. Senator Bob Graham, Democrat of Florida, who represents Disney World's home state, received $29,200.

In Disneyland's home state of California, Senator Alan Cranston, a Democrat, garnered $18,000. And Pete Wilson, a Republican who was California's junior senator before being elected governor last November, took in $7,500 while in Congress.

Palestinians Look to Regroup

450-Member Council Is Likely to Call Strategy Session

By Youssef M. Ibrahim
New York Times Service

PARIS — The Palestinian National Council, a sort of parliament-in-exile made up of representatives of Palestinians from around the world, is likely to hold a meeting in Algeria this month, officials of the Palestine Liberation Organization said Monday in Tunis.

One PLO official said in telephone interview that the target date for the meeting was "no later that Sept. 25."

The idea of a gathering the 450-member body has been discussed for some time, prodded by the appreciation among many Palestinians that fundamental changes took place in the Middle East during the Gulf crisis that deeply affected the prospects of a resolution of their conflict with Israel.

The last meeting of the council was held in 1988 in Algiers, when it sanctioned the idea of creating a Palestinian homeland in the occupied West Bank and Gaza Strip and authorized the PLO leadership to enter negotiations with Israel and the United States on a peaceful settlement that recognized Israel, something that the PLO had until then refused to do.

But efforts to resolve the 40-year Israeli-Palestinian conflict have floundered, and a dialogue that began between the United States and the PLO in 1988 was suspended when Palestinian commandoes tried to raid a Tel Aviv beach last year.

PLO officials said they were conscious that the Gulf war and the collapse of communism had led to a palpable loss of sympathy for the Palestinian cause internationally and among those Arab nations that opposed Iraq, which was enthusiastically supporterd by the PLO leadership.

Many Palestinian intellectuals and leaders of various factions have advocated restructuring the council in a way that significantly increases Palestinian representatives from the West Bank and Gaza. Other voices have called for a critical examination during the meeting of the decisions that led the PLO to its predicament today.

Although the council acts as the highest legislative and executive body of the Palestinian movement, sanctioning major changes in Palestinian policies, it is largely controlled by the PLO chairman, Yasser Arafat, and the senior leadership of the organization.

On Monday, Khalid Hassan, a senior PLO official who heads the external affairs committee of the Palestine National Council, called in an interview published in a Saudi daily for the creation of a government-in-exile composed of Palestinians inside and outside the occupied territories. He strongly criticized the PLO's support of Iraq.

"Our policy in the Gulf war has had clear material results," he said. "We are isolated in a deadly way within the Arab world, and that has increased our international isolation, especially in Europe, which we had won over."

German Firms Said to Aid Libya To Build Missiles

Agence France-Presse

MILAN — German companies are helping Libya build a factory to manufacture missiles with a range of 1,000 kilometers, the Milan daily Corriere della Sera reported Monday.

In July, customs officers in Hamburg seized equipment aboard a Libyan cargo ship that German experts said was destined to build the surface-to-surface missiles, according to the paper.

It said the material was delivered by the German company, Fritz Werner, which has extensive experience in missile technology and which has signed a contract with Libya to supply "pipes for sewers and aqueducts."

The factory, near Tripoli, is protected by security measures disproportionate to its supposed role as a pipe factory, according to German technicians.

With a range of 1,000 kilometers (600 miles), the missiles would be capable of striking Rome from Libyan soil.

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THE POWER SHIFT: Senior U.S. intelligence officials concede that they are merely trying to keep up with the flood of events.

For U.S. Intelligence Agencies, Soviet Union's Collapse Is a Painful Beginning

By Elaine Sciolino
New York Times Service

WASHINGTON — The dissolution of the Soviet Union and the humiliating purge of the KGB have injected new urgency into the painful debate over the role of U.S. intelligence services in a world where the Communist competition has left the playing field.

Even before the tumult that began in Moscow last month, Congress was forcing the Central Intelligence Agency and the military intelligence agencies to rethink some of their priorities — and even their budgets — to adjust to a declining Soviet military threat.

But at this crucial juncture in history, the world's only superpower is without a chief spymaster.

William H. Webster ended his tenure as the director of central intelligence on Sunday, and Robert M. Gates, the president's nominee to replace him, may not survive Senate confirmation hearings later this month because of questions about his role in the Iran-contra affair.

Senior intelligence officials concede that they are merely trying to keep up with the flood of events rather than forge a new mission, now that they no longer have to worry about defeating communism. But they also remain resistant to any reorganization of the intelligence agencies that would curtail their responsibilities and bring deep budget cuts.

Richard J. Kerr, who became acting director of central intelligence on Monday, argues that the instability and uncertainty unleashed by the crisis in Moscow increase the United States' demand for intelligence gathering and analysis.

"While we may have to live with less because of the reality of our own economic situation and drawdowns in the military, the kinds of problems we face require more information and more analysis, not less," Mr. Kerr said in an interview. "Uncertainty about the Soviet Union and the republics is greater now than it was 15 years ago, when you had a relatively stable, unchanging Soviet Union. From an intelligence point of view, that very instability demands a lot more work."

Mr. Kerr's comments appeared to be a preemptive move to counter proposals for reductions in the nation's $30 billion intelligence budget when Congress reconvenes next week. Senator David L. Boren, the Oklahoma Democrat who heads the Senate Select Committee on Intelligence that will question Mr. Gates,has already stated that he expects the nominee to come up with a creative new approach to U.S. intelligence in the next decade.

Mr. Kerr insists that the agency has already adjusted resources and reassigned personnel to deal with the unfolding drama in what was once the Soviet Union, and he says the CIA will continue to do so as needed. The agency has also created task forces to study such issues as the future of covert action and counterintelligence needs and to review the agency's training programs. Since the upheaval in Eastern Europe that began in 1989, more than one-third of the military analysts in the Soviet division have been moved to other areas of the agency.

Long before the crisis in Moscow, there were calls, by critics and the congressional committees that oversee intelligence, for more comprehensive reform of the intelligence services. The services include not only the CIA, which accounts for less than 15 percent of the total intelligence budget, but also an array of military intelligence agencies, among them the National Security Agency, which is responsible for signal interception; the Defense Intelligence Agency, the analytical arm of the Pentagon; and the National Reconnaissance Office, which collects data by satellite.

The most radical proposal came early this year from Senator Daniel Patrick Moynihan, the New York Democrat, who offered a bill to disband the CIA and put the secretary of state in charge of the country's intelligence activities.

Proposals under consideration would strip the CIA director of responsiblity over the entire United States intelligence-gathering effort and turn that role over to an intelligence czar.

Less sweeping is a bid by Mr. Boren to eliminate duplication in the civilian and military intelligence agencies and to focus on new areas of concern like economic intelligence and regional conflicts.

The Soviet crisis seems to have deepened the CIA's need for both a mandate and a leader.

Mr. Webster earned a reputation as an able caretaker who helped restore public trust in intelligence but who never defined a dynamic new vision for the agencies that he has headed since his predecessor, William J. Casey, died in 1987. A Senate rejection of the Gates nomination would mean that the agency would be left rudderless for perhaps months until another nominee could be confirmed.

The CIA's operations directorate, whose spies conduct covert activities around the world, is searching for a new mission as the explosion of public information about its one-time arch enemy makes the collection of secrets less important. Stealing closely guarded information about an upcoming Communist Party platform or the configuration of a particular missile system has become irrelevant, officials acknowledge. Far more important now is sophisticated analysis of, say, the strength of Russian nationalism in Kazakhstan or biographical profiles of a new generation of political figures.

"The fundamental problem of the CIA is not flying planes and listening in," said Morton I. Abramowitz, the new president of the Carnegie Endowment for International Peace and formerly the State Department's most senior intelligence officer.

"It's analytical," Mr. Abramowitz said. "There has to be a conscious effort to improve the quality of analysis and to maintain and nurture people who understand the countries and societies we are dealing with."

Supporters of Mr. Gates, an expert on the Soviet Union, say the Soviet breakup has enhanced his chances. In the first two years of the Bush administration, Mr. Gates was the member of the policy-making team who was most pessimistic about President Mikhail S. Gorbachev's chances of fundamentally remaking the Soviet Union, and supporters say that many of his predictions about Soviet affairs have been proved correct.

But opponents point out that in various statements he predicted that Mr. Gorbachev would probably fail and the Soviet Union would then become an even more dangerous threat to the United States. In a speech in October 1988, for example, Mr. Gates said: "Whether Gorbachev succeeds or fails or just survives, a still long competition and struggle with the Soviet Union lies before us."

If Mr. Gates still believes those words, his critics say, he would be the wrong person to chart a bold new course for U.S. intelligence.

For Balts, Scandinavian Echo

Emigrés Recall Lively Life Before Soviet Conquest

By David Binder
New York Times Service

WASHINGTON — According to memories and memoirs, the three Baltic republics that emerged from the collapse of empires in World War I developed rather smoothly as small but cohesive economic and political entities during their brief life in independence.

Baltic-Americans who grew up in the region likened the standard of living to that of Scandinavia. Asked about the quality of life then, Hans Kobin, of Hackensack, New Jersey, an Estonian from Tartu, who is 69, said: "It was comparable to life in Denmark."

"We had American films, a theater in every town, an opera, nightclubs," said Berta Roze, 88, a Latvian now living in suburban Washington, who comes from Riga. "It was so very lively. The country was young. We think we were very tolerant."

Her recollection of the period before the Baltics lost their independence to Moscow in 1940, under a secret protocol between Hitler and Stalin, conforms with that of George F. Kennan, who lived in Riga as a young Foreign Service officer. In his memoir, "From That Place and Time," he recalled "a variegated and highly cosmopolitan cultural life: newspapers and theaters in the Lettish, German, Russian, and Yiddish *tongues*" and "*vigorous*" religious communities.

Because they are situated at the eastern end of the Baltic Sea and because of previous connections to Germany and Russia, all three republics maintained lively commerce with those countries as well as Britain. They mainly exported agricultural products and timber.

Largely Lutheran Latvia and Estonia and largely Catholic Lithuania had authoritarian governments through most of the 1930s. Lithuania had a homegrown fascist organization called Iron Wolf and Latvia had one called Thundercross. Both were suppressed.

In Lithuania, an army-backed coup installed Antanas Smetona, a nationalist, as leader in 1926. In 1934, Konstantin Patsa, a nationalist in Estonia, seized power there and banned political parties. A parallel dictatorship was created in Latvia that year under Karlis Ulmanis.

Survivors of the period regard them as having been relatively benign, particularly when compared with the region's later successive experiences of totalitarian rule under Soviet Communists and German Nazis. "There was censorship, but the way of life was democratic," recalled Valdemars Kreicbergs, counselor of the Latvian legation here.

The Baltic-Americans said that as they remembered the 20 years of independence between the world wars, there was little or no fear of fresh encroachment in the region by Russians or Germans until Hitler attacked Poland in 1939.

"We had a cow, chickens, and freedom," said Elvyra Vodopalas of her grandmother's home near the Lithuanian town of Vilkaviskis.

Mrs. Vodopalas, a retired physical education teacher who lives in Fairfax Station, Virginia, also remembered the joy of Lithuanians when their country's basketball team won the European championship in 1937.

"I remember that, too," said Mr. Kreicbergs. "The Lithuanians imported several players from America that year. The score, I think, was 22 to 21." Latvia, he noted, had won the European championship in 1935.

The Baltic-Americans said that despite the fact that czarist Russia had dominated their lands for centuries and the Soviet Union first menaced and later extinguished the freedom of the Baltic republics, members of the Russian minority made comfortable neighbors in the independence period.

Mr. Kreicbergs, 79, who studied law at Riga University, recalled that his professors included a Russian, a German, and a Jew. "The Russian newspaper, *Sevodnya*, had European prestige," he said.

Although the German minorities in all three countries organized clandestine Hitler Youth groups and other Nazi formations and although Communists were also active, the threat to independence that that might have implied was not perceived at the time by those who were interviewed.

"My generation in general was not aware of the dangers," said Mr. Kreicbergs, the Latvian. "We assumed independence would continue forever."

"All of a sudden, the ax fell," said Antanas Dundzila, who was born in Kaunas 59 years ago. He was referring to Oct. 10, 1939, when the first Soviet Army forces moved into Lithuania to establish garrisons and air bases.

Between June 15 and June 17, 1940, the Soviet Army blanketed the three Baltic countries and installed Communist puppet governments. They were sent under Stalin's interpretation of his secret 1939 pact with Hitler. About 60,000 Estonians were killed or deported to Siberia, along with 45,000 Lithuanians, and 35,000 Latvians.

A little over a year later, Hitler's Wehrmacht swept in, followed by SS units that rounded up some 221,000 Jews in the region. They were systematically killed, partly with the help of special Baltic units under the SS.

Asked why why people remained passive or acted hostilely toward Jews during the German occupation, Mr. Kreicbergs said he thought that although some Jews had been brave participants in the liberation struggles of the Baltic nations, "those 20 years were too short a period" for most Jews to identify with or be accepted by their Estonian, Latvian, or Lithuanian neighbors.

In September 1944, Soviet forces surged back toward the region and those who could fled westward by land and sea — 63,000 Estonians, 80,000 Lithuanians, and 65,000 Latvians.

The newly installed Soviet authorities resumed deporting Baltic people to Siberia or the Russian interior — a total of 400,000 from 1944 to 1949.

Uldis Pucke/The Associated Press

Anatolijs Gorbunovs, the Latvian president, celebrating in his office in Riga on Monday after hearing by telephone of the decision by President George Bush to recognize the Baltic states.

Russians in Lithuania Fear the Good Life May Be Ending

By Stephen Kinzer
New York Times Service

SNIECKUS, Lithuania — It is thrilling to be a Lithuanian these days, but not so comfortable to be one of Lithuania's more than 300,000 Russians.

For years, Russians here enjoyed a feeling of absolute freedom, and at times even a sense that they were bosses. Lithuania was under the Kremlin's thumb; the Russian language was required in all schools, and many people believed it would ever be so.

But suddenly all that has changed. Lithuania is racing toward independence, and many Russians fear that the good life they have enjoyed here for years may be threatened.

Russians in the other Baltic republics share the same concern. In Latvia and Estonia, they form about a third of the population.

Russians make up nearly 10 percent of Lithuania's population of 3.6 million, and their concentration is greatest in Snieckus, 200 kilometers (120 miles) northeast of Vilnius, where the Soviet authorities decided in the 1970s to build a giant nuclear power plant. They sent more than 10,000 Russians here as construction workers, engineers and technicians.

The area chosen for the plant is one of the most scenic and pristine in the Baltic region. Forests stretch for miles in every direction, and deep blue lakes are filled with fish.

There was no town here, though, and the Russians' first task was to build one. They did a good job.

Snieckus is a town of handsome apartment buildings separated from one another by large groves of trees. There are movie theaters, restaurants, schools and other amenities. Life here is far more pleasant than in many parts of the Soviet Union.

The power plant itself is a couple of kilometers outside town. Only two of its projected five reactors are complete, but the plant already supplies energy not only to Lithuania, but also to Latvia, Estonia, Byelorussia, and even the region around Leningrad.

Few Russians who live here want to return to Russia. They believe they will be treated well by the Lithuanian government, but cannot escape a sense of unease.

"I came here because I was offered a good job, better than I could have had back in Leningrad, and because I had the chance to have my own apartment," said a worker who was strolling through an outdoor market with his wife. "I feel at home here. What the future holds, I can't say."

On July 29, the Russian republic's president, Boris N. Yeltsin, and his Lithuanian counterpart, Vytautas Landsbergis, signed an agreement that guarantees that the Russian minority here, as well as the Lithuanian minority in Russia, will not be discriminated against in any way.

The Russian minority's uncertainty is reflected in myriad ways. In Snieckus, as in the rest of Lithuania, Sunday was the first day of the school year. At a welcoming ceremony at the largest of this town's four schools, the school authorities, not certain whether to raise the Soviet flag, the Lithuanian flag, the Russian flag or some combination, discreetly decided to raise none at all.

"Most people who live in Snieckus have been here for 10 or 12 years," said the school's principal, Olga Lachotskojo. "It's a town of young families, with lots of children. Life is very comfortable.

"Some people can't change their attitudes and accept Lithuania as an independent state, but most of us are calm. I think relations will remain normal. Maybe they will even improve."

'A Historic Chance To Speed Reforms'

Reuters

Following is a transcript of a joint statement by President Mikhail S. Gorbachev and leaders of 10 of the 15 Soviet republics on Monday outlining proposals for a radically overhauled Soviet Union, as read to the Congress of People's Deputies in Moscow by President Nursultan A. Nazarbayev of Kazakhstan and translated by Reuters:

I am entrusted by the president and top officials of 10 republics to read out this statement worked out yesterday, during the night and this morning.

As a result of the coup on August 19-21 this year, the process of forming new union relations between the sovereign states broke down. This brought the country to the brink of catastrophe.

The situation that emerged in the country after the putsch, if it runs out of control, could bring unpredictable consequences inside the country and in relations with foreign states. We state that the failure of the coup and victory of democratic forces have delivered a serious blow to reactionary forces and to everything that had been hindering the process of democratic change.

Thus a historic chance has been created to speed up reform and renovation of the country. In these conditions, legally elected leaders of the country — the president of the country, presidents and chairmen of the Supreme Soviets of the republics — agree on the following measures for a transitional period until a new constitution is adopted and new organs of power are elected.

These measures will prevent further collapse of structures of power, pending creation of a new political state system of relations between the republics and formation of new interrepublican union structures.

1. All republics that wish to should work out and sign a treaty of the union of sovereign states in which each of them will independently determine the form of its participation in the union.

2. Appeal to all republics, irrespective of the status they have declared, with a proposal to immediately conclude an economic agreement for cooperation, within the framework of a free common economic space, to secure normal functioning of the economy, supply of the population and accelerated implementation of radical economic reform.

3. Create for the transitional period, a Council of Representatives of People's Deputies on the principle of equal representation from union republics — 20 people's deputies delegated by each republican Supreme Soviet to decide upon matters of general principle. Set up a State Council out of the Soviet president and top state officials of the republics to coordinate foreign and internal issues that concern common republican interests. Set up an Interim Interrepublican Economic Committee out of representatives of all the republics on a parity basis to coordinate management of the economy and conduct of economic reform.

The draft constitution, when ready, should be considered and approved by republican parliaments and finally approved at a congress of plenipotentiary representatives of union republics.

Confirm preservation of the status of all elected people's deputies of the U.S.S.R. during their elected term.

In this connection we ask the Congress to suspend temporarily corresponding articles of the Soviet Constitution.

4. Sign an agreement on defense, on the principles of collective security to preserve united armed forces and military-strategic space, to carry out radical military reforms in the armed forces, KGB, Interior Ministry and prosecutors office of the U.S.S.R., taking into account republican interests.

5. To confirm strict observation of all international agreements and obligations of the Soviet Union, including the question of arms cuts and control as well as foreign economic obligations.

6. To adopt a declaration granting rights and freedoms of citizens irrespective of their nationality, place of residence, party membership or political views, as well as the rights of national minorities.

7. Ask the Congress of People's Deputies of the U.S.S.R. to support applications of the union republics to the United Nations to recognize them as subjects of international law and to consider their membership in this organization.

In view of the emergency of the proposed measures dictated by the existing situation, we appeal to the Congress to adopt urgent decisions on these proposals.

The statement was signed by the president of the U.S.S.R., and top leaders of the Russian Republic, the Ukraine, Byelorussia, Uzbekistan, Kazakhstan, Azerbaijan, Kirghizia, Tadzhikistan, Armenia and Turkmenistan.

BALTS: *U.S Grants Recognition*

(Continued from Page 1)

the Russian Republic took that step. But his action still marked an important new phase in U.S. relations with the rapidly changing Soviet Union.

The United States never recognized the incorporation of the Baltic states into the Soviet Union, which occurred between Aug. 3 and Aug. 6, 1940, about 20 years after the countries were created between the world wars.

The United States closed its legations — embassies had not been established — after the Soviet takeover. And the three countries existed in an uneasy diplomatic netherworld that has often been cited as a key symbol of U.S.-Soviet confrontation and, like the repression of Hungary in 1956 and Czechoslovakia in 1968, of the Soviet domination of Eastern Europe.

The policy of not accepting the Baltics as part of the Soviet Union while at the same time not establishing diplomatic relations has injected a consistent note of awkwardness into U.S.-Soviet dealings over the years. In the Cold War years, U.S. ambassadors were instructed never to visit the three republics.

More recently, as U.S.-Soviet relations warmed and then turned into actual cooperation, the occasionally violent confrontation between Moscow and the Baltics republics over independence has been a regular source of difficulty for Mr. Bush.

Last winter, when the Soviet military cracked down on the Baltics, Mr. Bush criticized the action but came under attack himself for not defending the Baltics as strongly as some Americans suggested or as the Lithuanian president, Vytautis Lansbergis, had expected.

When the coup against Mr. Gorbachev failed and many countries rushed to recognize the three republics as independent, Mr. Bush again hesitated. Among his reasons was one cited last winter — a desire not to undercut Mr. Gorbachev at a politically difficult time and a sense on the president's part that U.S. actions carry a special weight.

Mr. Bush said he had been determined not to be "stampeded into something the whole world knew we were going to do in the first place."

He added, "When history is written, nobody is going to remember that we took 48 hours more than Iceland or whoever else it is. But what's going to be remembered is what happens. How does it work out? And that's what we're interested in, is seeing the Baltic states quickly get their independence and the freedom that they've long aspired to."

Stasys Lozoraitis, the senior Lithuanian representative in Washington, said, "It is a very happy day. I would also caution not to think that the victory is complete. We still have Red Army units in our country, and of course you never know what is going to happen in Moscow."

Osars E. Kalnins, a spokesman for the Latvian legation in Washington, said, "I don't feel any threat of Russian imperialism at all." He said his country's greatest challenge was economic.

But Mr. Bush did not offer any real hope of U.S. assistance.

Georgian Police Reportedly Shoot 4 Demonstrators

Reuters

MOSCOW — Four demonstrators were shot and wounded on Monday by policemen in Georgia breaking up an opposition rally, local journalists said.

They said 5,000 supporters of the opposition National Democratic Party had gathered outside government buildings in the Georgian capital, Tbilisi, to demand the resignation of President Zviad Gamsakhurdia, a nationalist who was elected in May.

"They were attacked by Georgian special police which used truncheons and firearms," one journalist said by telephone. "Four people were wounded by firearms and have been taken to the hospital."

The journalists said about 1,000 of the demonstrators then marched on the local television station to demand that one of their leaders be allowed to address the Georgian people.

The National Democratic Party leader, Georgi Chanturia, appealed to the protesters to leave the television building and move to the party's offices. "We are building barricades around headquarters for fear our party leaders will be arrested," a spokesman said.

A spokeswoman for the Georgian parliament said only that "a small group of criminals" had attacked the police with stones. She did not mention the shooting.

Michel Euler/The Associated Press

Soviet Army soldiers jogging near their barracks in Riga, Latvia, on Monday. Soviet troops are still deployed in Latvia.

Soviet Notes

■ **Germany has sent ambassadors** to the Baltic states of Latvia, Lithuania and Estonia. The envoys were expected to be formally accredited on Monday. *(Reuters)*

■ **A special European Community meeting** on the Soviet Union, scheduled for mid-September, is now unlikely to be held before the end of the month, diplomatic sources said Monday. *(Reuters)*

■ **A nationalist opposition group** in Azerbaijan called on Monday for a general strike to support demands for democratic change and anti-Communist measures. The Popular Front said the strike should begin Tuesday unless the republic agreed to postpone presidential elections scheduled for Sunday and introduced a new election law. *(Reuters)*

East's Data Bank On Political Foes

Reuters

BONN — East Germany's former Communist rulers filed information about tens of thousands of political opponents into a computerized data bank run by Moscow and shared by former Soviet bloc states, Germany said Monday.

The data bank provided secret services of the now-deposed Communist regimes with data on opponents ranging from Western spies to defectors.

The German government, replying to a parliamentary question, said the East German security service filed information on nearly 75,000 opponents into the data bank between 1979 and November 1989, when the Berlin Wall fell.

THE POWER SHIFT: In Paris, the president's embarrassing turnabout on events in Moscow has provided ammunition for conservative opponents

Pace of Change Left Mitterrand Behind, Critics Say

By William Drozdiak
Washington Post Service

PARIS — Respected by George Bush and other heads of state for his grasp of history, President François Mitterrand has found his reputation as a visionary statesman damaged perhaps more than any other Western leader by the fickle nature of revolution in the Soviet Union and Eastern Europe.

Nearly two weeks after the failed Soviet coup, the French president is still being criticized for going on television and conveying an initial impression that the putsch against President Mikhail S. Gorbachev would endure. He reversed himself two days later, suggesting that he knew all along that the coup would never succeed.

The embarrassing turnabout has provided new ammunition for conservative opponents who claim that Mr. Mitterrand has consistently misjudged the stunning chain of events in Eastern Europe. They cite his early renunciation of any quick moves toward German reunification and his firm insistence on the territorial integrity of existing European states as evidence of policies that have been swept aside by the momentum of events.

Mr. Mitterrand's troubles in dealing with the East have also raised concerns, even among supporters within his governing Socialist Party, about whether the French head of state, who will turn 75 next month, has grown too weary with the demands of office after more than a decade at Elysée Palace.

In addition, friends say Mr. Mitterrand has become increasingly dependent on an ever-tighter circle of aides that has dulled his vaunted intuitive skills and made his judgment vulnerable to analytical mistakes.

Recent visitors say Mr. Mitterrand despairs about the course of events in the East and is worried that Europe is heading into a protracted phase of instability that could ruin hopes of building political and economic unity by the turn of the century.

At a meeting of government ministers last week, much of the session was taken up with a Mitterrand discourse on how the nascent civil war in Yugoslavia could soon turn into a nightmare for Europe, according to participants.

After stifling his critics with his shrewd conduct of France's role during the Gulf crisis, Mr. Mitterrand quickly found his public approval rating drop from its high of 75 percent down to just under 50 percent. Much of the public disillusionment has centered on domestic problems, such as persistently high unemployment, crime and immigration.

But the rapid procession of wrenching political changes in the East has also created a sense of anxiety that France is being pushed to the periphery of Europe by a potent, influential Germany and seems less capable than before of exerting its will even within the decision-making councils of the European Community.

Earlier this year, Mr. Mitterrand's efforts to court closer ties with the new democracies in Eastern Europe fell flat when the leaders of Poland, Czechoslovakia and Hungary strenuously objected to his contention that their countries would have to wait "dozens and dozens of years" before they could expect to become full EC members.

For East Europeans, the Community is a magnetic pole of prosperity.

Similarly, Mr. Mitterrand's staunch insistence on preserving territorial integrity of nation-states lead to friction with Lithuania, Latvia and Estonia when they proclaimed their independence. In a bid to heal that rift after France joined the rest of the Community last week in recognizing the three Baltic states, Mr. Mitterrand sent Foreign Minister Roland Dumas there to claim a "symbolic victory" in establishing full diplomatic relations ahead of Germany.

France has also clashed with Germany over whether to recognize the breakaway Yugoslav republics of Croatia and Slovenia.

Aides to Mr. Mitterrand say that he worries about the potential chaos of acquiescing to all claims of self-determination, which by the French count could mean the creation of up to 24 new states in Europe. Other French officials also worry about the growing preponderance of German influence among prospective new nations in Central Europe, which would further marginalize French power.

French policy toward the Soviet crisis has also been shaped by Mr. Mitterrand's personal relationship with Mr. Gorbachev. Mr. Mitterrand has been host to Mr. Gorbachev for dinner at his private apartment in the Left Bank and takes pride in telling friends about their intimate friendship.

In contrast, Mr. Mitterrand has expressed consternation about the Russian Republic's leader, Boris N. Yeltsin, whom he fears could be transformed by events into a potentially dangerous demagogue.

When Yeltsin visited France recently, Mr. Mitterrand proffered a handshake but refused to hold a meeting with him because he was concerned about undermining Mr. Gorbachev's influence.

That view, along with others, has changed recently. During his swing last week through the Baltic states, Mr. Dumas sought a meeting with Mr. Yeltsin, who was spending a few "rest days" in Latvia. Mr. Yeltsin gained revenge for the snub in Paris by insisting that Mr. Dumas come to see him in the forest. It was logistically impossible, and the meeting was scrubbed.

Mladen Antonov / Agence France-Presse
A woman clutching bottles of vodka she bought after waiting in line for 3 hours Monday in Moscow.

The Soviets' New Union, in Brief

The Associated Press

Following is a brief look at the proposal for forming a new union of some of the Soviet republics put forward Monday at the Congress of People's Deputies in Moscow:

Who Is Participating?

The agreement was worked out by President Mikhail S. Gorbachev and presidents of 10 republics: Russia, the Ukraine, Byelorussia, Kazakhstan, Uzbekistan, Azerbaijan, Armenia, Kirghizia, Turkmenistan and Tadzhikistan. Georgia participated as an observer. The three Baltic republics and Moldavia did not participate.

Little is said about republics that did not participate. They would be invited to cooperate economically, but would apparently be free to be totally independent.

Reason for the Change

The failure of the Aug. 18-21 coup resulted in the breakup of hard-line forces and gave advocates of change a new chance to radically alter the Soviet Union. Interim governing arrangements are intended to prevent the further disintegration of the power structure.

Powers of the Republics

Republics would be permitted to state under what conditions they would join the union, and the Congress is asked to issue an appeal to the United Nations to recognize them as subjects of international law and consider their separate membership. All would be invited to take part in the economic union.

Defense and Foreign Policy

Negotiators would try to conclude an agreement on collective security, attempting to maintain a united army while radically changing it, the KGB and Interior Ministry forces. The republics would agree to abide by all international agreements reached by the Soviet Union.

CONGRESS: *A Transfer of Central Soviet Authority*

(Continued from Page 1)

by Mr. Nazarbayev after overnight negotiations envisages a multitier confederation that will allow each republic to determine the degree of its participation in the union and the nature of its relations with the center. The responsibility of the central authorities has been reduced to ensuring the security of a common "military-strategic space" and acting as a coordinator in economic and foreign policy issues.

In addition to Russia, the plan was endorsed by the Ukraine, Byelorussia, Armenia, Uzbekistan, Kazakhstan, Azerbaijan, Kirghizia, Tadzhikistan, and Turkmenistan. The Baltic states and Moldavia refused to take part in the discussions. Georgia participated as an observer.

The statement said that those republics that insist on full independence would be invited to join an economic union, along the lines of the European Community. They will also be invited to send representatives to a provisional Interrepublican Economic Committee, to coordinate management of the economy and the transition to a market economy.

A representative of the Ukrainian parliament, Vladimir Shcherbakov, later rejected the idea of a common economic space, saying that the Ukraine intended to create its own currency and financial system. With a population of more than 50 million people, and economic resources second only to those of Russia, the Ukraine is better placed than any other republic to go its own way economically.

Mr. Shcherbakov also questioned the need for the rapid drafting of an all-union constitution, saying that it was "unnecessary" at a time when the republics were drafting their own constitutions. The Ukraine has scheduled a republic-wide referendum on independence for December.

If they endorse the draft statement, as expected, the deputies will in effect be voting to suspend the Congress, even though they will retain their parliamentary privileges. During the transitional period leading up to new all-union elections, power will be transferred to a Council of Representatives of People's Deputies, made up of 20 delegates from each republic. The functions of the government will be performed by a State Council, made up of Mr. Gorbachev and republican leaders.

"To speak frankly, our union was not only on the verge of collapse. It had already collapsed. We were in a state similar to that of Yugoslavia," said Sergei Alexeyev, the chairman of a constitutional watchdog committee, arguing that the draft plan represented the only realistic chance of preserving some kind of union.

The proposed Council of Representatives is likely to prove more manageable than the Congress or its smaller working organ, the Supreme Soviet, since lawmakers will be directly accountable to republican parliaments. But it is also likely to shift the balance of political power toward the relatively conservative republics of Central Asia, which will have a majority on the new Council if the Baltic republics refuse to participate.

UNION: *Dawning of Sovereignty for the Soviet Republics, but With an Authoritarian Tint*

(Continued from Page 1)

seems indeed to be a different, determined politician since his three days of captivity at the hands of the failed cabal of Kremlin plotters, struck with what many shocked but so far obeisant legislators described as putsch-like determination.

Members of the Congress of People's Deputies, barely joking, said that at least there were no tanks this time, and they took what comfort they could find in the thought that this may be the sort of desperate measure called for by such desperate times.

Underlying the merits of the issue for them is the cold political fact of personal survival amid the chaos: The members of the dissolved Congress would receive full pay for the remaining half of their five-year term and see the basic patronage architecture of republic loyalty not only survive but be bolstered by the device of home rule.

The argument of national salvation was the one presented by the executive leadership that moved in the opening minutes of the emergency session Monday to checkmate any designs at resurgence by hard-core loyalists of the now suspended Communist Party who previously were a major force in the 2,250-member Congress.

In a sudden change in the planned agenda, Mr. Gorbachev and his new partner in crisis management, President Boris N. Yeltsin of the Russian Republic, sat side by side in the front row of the audience and let the burden of the emergency plan be carried to the surprised congress by Nursultan A. Nazarbayev, the leader of the Kazakhstan Republic.

As a respected former Communist and free-market enthusiast at the helm of one of the largest and most resource-rich republics, he was a good choice for the pan-republic politics now emerging as the fresh hope of this tormented nation.

In this, Mr. Yeltsin acceded to equal representation by the 10 republics taking part in the plan, with each sending 20 members to a new Council of Representatives that would enact the ruling executive panel's legislative needs. The Russian leader signaled both his huge republic's need for republic ties, as well as the likely deflated shape of central authority, since he has already claimed many new powers for Russia.

Faster than some legislators could comprehend, Mr. Nazarbayev tersely read a list of seven agenda items hurriedly agreed to overnight by Mr. Gorbachev, Mr. Yeltsin and nine other republic leaders, beginning with the quick dissembling of much of the current national government.

The proposals, making use of the heightened crisis brought on by the failed coup, would yield to the republics far more potential authority than had been anticipated in an earlier political compromise for a new union treaty between Mr. Gorbachev and the republics. In the emergency plan, each republic is guaranteed the right to "independently determine the form of its participation in the union."

No one yet has a certain idea of what might come of the proposal. But one Yeltsin strategist who helped shape the plan speculated this approach eventually might produce a multitiered nation centered around an association of the four largest and richest republics — Russia, the Ukraine, Byelorussia and Kazakhstan.

CLASH: *Sporadic Fighting*

(Continued from Page 1)

ter representatives of Yugoslavia's six republics and the federal government signed the peace accord in Belgrade. After hours of discussion, Serbia, the largest republic, dropped resistance to the agreement, which foresees as many as 300 foreign cease-fire observers throughout Croatia from European Community nations plus Sweden, Czechoslovakia and Poland.

The plan calls for peace talks to begin while the observers are being put in place, and European foreign ministers will meet in The Hague on Tuesday to decide details. But the unarmed observers will maintain positions only if fighting stops, and without their presence the cease-fire will likely prove as ephemeral as earlier efforts to stop the bloodshed.

Speaking in his office in Zagreb's old town, Mr. Tudjman said he believed that Yugoslavia's defense minister, General Veljko Kadijevic, had lost control of army commanders in eastern Croatia, and most notably the officers of the Vojvodina region of the northern Serbia, who answer to commanders in the Zagreb garrison.

Appearing tired but calm, he said: "That is why the fighting in this army district is more difficult and bloody than in Split," the second army district in Croatia's south, where Serb rebels fighting the Croatian authorities have enjoyed less army support.

Croatia accused Serbia and the federal army of backing the fighters, and the European Community and Washington have come to accept that view.

SERBS: *The Peace Looks Fragile*

(Continued from Page 1)

last two months, politely insisted that Mr. Milosevic drink to what he had just signed.

Cornered in front of the press, Mr. Milosevic, a Marxist whose militant credentials as a Serbian nationalist have allowed him to survive in post-Communist Eastern Europe, took a sip of orange juice and commenced a toast to his favorite subject — the sufferings of the Serbian people.

But the EC president cut him off. As Mr. Milosevic was saying "You always have to protect victims, and Serbs are victims in this case," Mr. van den Broek broke in.

"All those that are being killed are victims," he said, "and they are all human beings."

"So let's drink to that," Mr. van den Broek said, by way of reminding Mr. Milosevic that most of the dead in the war have been Croats.

This bit of diplomatic theater — performed impromptu in the middle of the night after nearly six hours of closed-door squabbling between Mr. Milosevic and Mr. van den Broek — dramatizes both the fragility of Yugoslavia's newest peace agreement and the reluctance with which Serbia agreed to sign it.

A territorial war between ethnic Serbs and Croats broke out in late June after Croatia declared itself independent from Yugoslavia. Mr. Milosevic has said that although Croatia has the right to become independent, his government would never allow the 600,000 ethnic Serbs there to be cut off from their homeland.

The European Community and the U.S. government have said that such an ethnic theory of borders is dangerous and unacceptable, both in Yugoslavia and across the changing face of Eastern Europe and the Soviet Union.

Put into practice this summer in the collapsing Yugoslav federation, Mr. Milosevic's theory has spelled the violent dismemberment of Croatia.

With the backing of the Serbian government, and the on-the-ground assistance of the Serbian-dominated federal army, ethnic Serbs have managed to seize about one-fifth of Croatia.

Several cities and towns in Croatia remain under seige. The Croatian tourist industry, a mainstay of the entire Yugoslav economy, has disappeared.

It remains an open question how the peace agreement signed Monday can force Mr. Milosevic to rethink the criteria on which the borders of a new Yugoslavia should be drawn.

And it seems likely that in the Community's proposed peace conference on Yugoslavia, which is to be convened this fall if the cease-fire holds, Serbia will insist on the border changes that its fighters have already won on the ground.

Serbia signed the peace agreement only after the 12 EC members threatened to make the republic an economic and diplomatic outcast.

Diplomats say Mr. Milosevic tried on Sunday to force the Community to exclude Germany and Italy — Serbia's enemies from World War II — from any monitoring role under the peace agreement.

These demands were refused by Mr. van den Broek, and diplomats said Serbia was given only one choice on the peace agreement — take it or leave it.

As Mr. van den Broek readily conceded Monday, signing a piece of paper does not mean that stopping the bloodshed in Yugoslavia will be easy. Several other cease-fire agreements have collapsed this summer as the fighting has got steadily more destructive and the death toll has risen.

The EC plan is vague and complicated. It does not set specific dates for when the cease-fire must be in effect, when foreign monitors should move into Croatia or when the international peace conference should start.

If the Serbs do not stop fighting, there are likely to be angry objections raised within the Community about Mr. Milosevic's commitment to the cease-fire and to a peaceful dismemberment of Yugoslavia.

Among Mr. Milosevic's political opponents, there is a widespread belief that the Serbian leader cannot survive a prolonged period of peace. They say his survival depends on his ability to distract Serbians from a bankrupt communist economic system.

The leadership in Croatia, until recently, has made it easy for Mr. Milosevic to appeal to ethnic fear. There is a deep cultural and historical antipathy between Serbs and Croats, which owes much to the massacres of Serbs carried out during World War II by a fascist Croatian regime.

Don't Try to Rule World, France Cautions the U.S.

Reuters

RAMATUELLE, France — France cautioned the United States on Monday against trying to rule the world and said the United Nations and Europe should counterbalance the influence of the only superpower left after the Soviet collapse.

"America might reign without balancing weight," Foreign Minister Roland Dumas said.

Speaking to a meeting of the governing Socialist Party in this southern resort, he added, "I am telling our American friends: they must realize that being the world's top power creates not only possibilities and rights, but also duties."

Jacques Delors, the French president of the European Commission, also told the seminar that Washington could not take charge of the whole world.

Both Mr. Dumas and Mr. Delors said the United Nations and the European Community should counterbalance American influence. They added that East Europe should join EC nations in a confederation. "If Europe wants to share the world's leadership," Mr. Delors said, "it must equip itself to do so."

BUSH: *Too Early for Military Cuts*

(Continued from Page 1)

faced threats beyond the military might of the Soviet Union.

Referring to U.S. leadership of the international coalition that forced Iraq to withdraw from Kuwait he said, "I'm talking about what we we're talking about a year ago: Would we have to use force to turn back aggression? And it was only the United States that could take this leadership role. It was only the United States that had the credibility.

"It's only the United States, in my view, that single-handedly could express the will to go in there and do what we did — because we have such a disproportionate responsibility for the kind of military action in pursuit of freedom and against aggression that exists.

"We have cut defense. But I'm not going to cut into this muscle of defense of this country in a kind of an instant sense of budgetary gratification so that we can go over and help somebody when the needs aren't clear and when we have requirements that transcend historic concerns about the Soviet Union.

"What I hope is that out of all these changes in the Soviet Union, we'll see some recognition that we're not their enemy and they'll stop aiming missiles at the United States of America. They'll stop deploying new weapons systems. They'll stop spending billions of rubles on modernization of defense systems."

Nunn Reassured By Gorbachev

Agence France-Presse

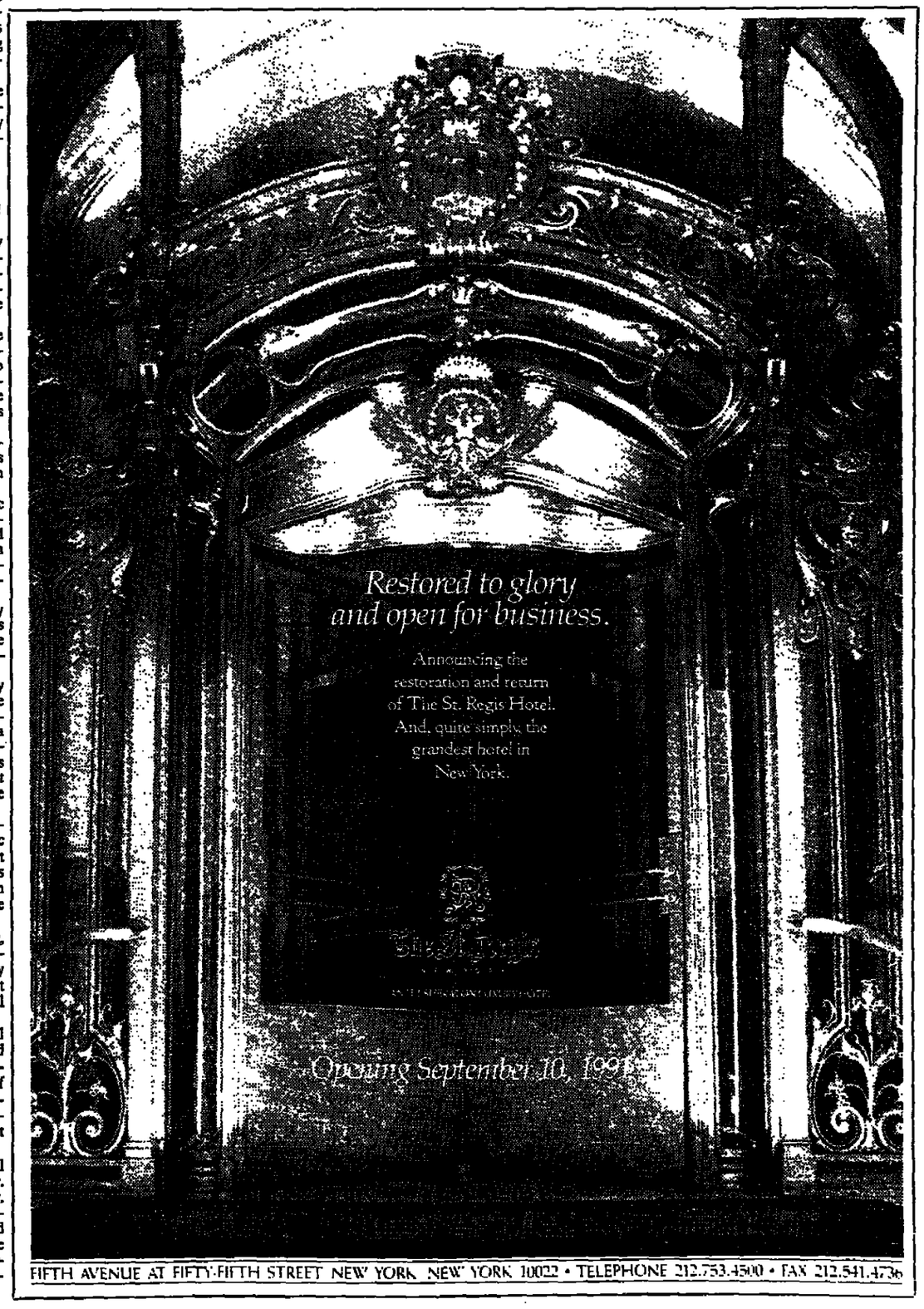
MOSCOW — President Mikhail S. Gorbachev assured U.S. Senator Sam Nunn Monday that the Soviet nuclear arsenal would remain under central control, the senator said here.

Although it was up to the Soviet Union to decide "what kind of confederation" or union they wanted, Mr. Nunn said, "it's a matter of concern to the Western world that they abide by the Nuclear Nonproliferation Treaty, which requires central control."

Taiwan to Lift 2 Trade Bans

Reuters

TAIPEI — Taiwan will lift its ban on direct trade with North Korea and with Cuba after prohibiting business for decades because the two countries are Communist, the Economics Ministry said Monday.



Herald Tribune
INTERNATIONAL
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Much to Do About Iraq

Iraq is still far from reconciled to peaceful compliance with the terms of the United Nations' truce. The latest incident was a landing last week by some 80 Iraqis, in civilian clothes but well armed, on Kuwait's island of Bubiyan. The Kuwaiti armed forces quickly captured most of the intruders. The purpose of this raid is not clear. Perhaps it was merely a test of the reactions of Kuwait and its allies at a time when the world's attention is fixed elsewhere. But it demonstrates again that enforcing the truce is going to be a long-term affair requiring a lot of patience and stamina.

The United States thought better of its earlier plan to withdraw all troops from Kuwait by the end of August and will leave a small force there. Two aircraft carriers remain nearby. There is still a lot to be accomplished before the United States can afford to leave the Gulf.

The next step is to organize the sale of a limited amount of Iraqi oil to enable Iraq — which claims poverty — to buy food and medicine. It is entirely possible that Iraq has resources abroad that it chooses not to disclose. Meanwhile, it is using the growing distress among its own people to try to force an end to the United Nations' embargo, and its campaign is beginning to have an effect here and there. A few days ago President Hosni Mubarak of Egypt called for ending the economic sanctions. That would be a truly dangerous mistake. It is much better to offer Iraq the opportunity to sell some oil under supervision.

This week the UN secretary-general, Javier Pérez de Cuéllar, will bring to the Security Council a plan for running the sale and organizing relief. The United Nations intends to oversee the distribution of food itself to ensure that it goes where it is supposed to. The Iraqi government has been grumbling bitterly that the whole idea is an intolerable affront to its sovereignty, and it threatens not to cooperate. But if Iraq refuses to ship the oil, it will be clear to the world that it is Saddam Hussein who is starving Iraq's children and not the UN embargo.

It is infuriating that millions of innocent people should be held hostage by their own government, and no doubt there are good-hearted people in the United States who, like President Mubarak, are ready to drop the embargo. But they need to think carefully about this summer's revelations of Iraq's gigantic secret projects to build nuclear weapons and to produce biological and chemical weapons. The embargo has to last until the United Nations' inspectors are fully satisfied that they have found all of the illicit weapons factories. They are still far from that point. The United Nations — and the United States — still has much unfinished business in Iraq.

— THE WASHINGTON POST.

Rethinking Tax Fairness

The fairness issue is heating up in the United States; how else do you tell an election year is approaching? The Democrats want to show where their rediscovered loyalties lie by giving a pre-election tax cut to the middle class (and perhaps the working poor as well — they have not decided). They would like to pay for it by raising the income taxes of the rich, somehow defined.

It is a shortsighted policy. A large tax cut, even paid for, is about the last thing you would think the country needs right now. The Democrats' own domestic agenda would be a likely casualty; the more urgent claims on the next federal dollar are all in the public sector. The deficit next fiscal year alone will likely exceed a third of a trillion dollars. To free the economy and government alike, the deficit badly needs to be reduced, even as government spending in such familiar areas as the Head Start preschool program, college student aid and transportation badly needs to be increased.

The Democrats do not so much disagree as claim that the tax shift they propose is also required on grounds of fairness and preserving social health. The richest fifth, and particularly the richest 1 percent, of the population have greatly increased their shares of the income pie in recent years at the relative expense of the rest of the population. Government was not the cause of all or even most of this, and it did not all happen in the 1980s. The process has gone on over a longer period for reasons still not completely understood. The Democrats say nonetheless that it is up to government now to redress it.

The Republicans, for their part, hardly want to give up the winning hand of tax cuts to the party they have made the symbol of tax-and-spend, and some Republicans (but not yet the Bush administration) have begun suggesting rival tax cuts of their own. They are hampered in this by the need to find offsetting revenues; their goal is not to reverse but to protect the income tax cuts of the Reagan years. Equally awkward for them is the stout statistical frame the Democrats have built around the issue having to do with income shares, and they have begun attacking that as well.

The Congressional Budget Office is the proximate source of most of the Democrats' figures on how various income groups have fared in recent years. A Republican report accuses CBO of having systematically exaggerated the increase in incomes of the rich in the 1980s by not subtracting inflation from capital gains. CBO says that if it had done as the Republicans ask, the apparent increase in income would likely have been even greater.

Other Republicans argue that CBO and/or Democrats using its figures understate the incomes of the poor (by not counting noncash income from such sources as Medicaid and food stamps) or adopt misleading periods of comparison. Thus they rightly point out that from 1982 — the trough of the Reagan recession and the year when the Reagan tax cuts took hold — through the end of the 1980s, all income groups gained. The lesson they draw is not that incomes always rise in recoveries but that the tax policy of the 1980s should be preserved, not changed.

There cannot be any serious dispute that the distribution of income in the United States is less equal than it was 20 years ago. The question is which government policies, if any, are to blame. In our view, the early Reagan tax and spending cuts had the harmful effect of adding to the underlying inequality. But it is equally true that for all but the very highest-income families, the tax cuts have since been largely offset in part by bills Ronald Reagan himself signed, including the reform act of 1986, and in part by last year's net tax increase. A good deal of the Reagan-era magnification of the problem has been resolved; the problem itself has not.

The Democrats are right that income is less fairly distributed than it should or used to be and probably right that, in the name of fairness and for other purposes, there ought to be an income tax increase at the top once the economy is strong enough to withstand it. But whether to dissipate the proceeds of such an increase on a tax cut for the middle class is a separate question.

— THE WASHINGTON POST.

A Time to Think Gray

Clearly, America is graying. What is not so clear is just when people should start thinking of themselves as getting on in years.

A recent story in The New York Times reported that several companies are running ads addressed to the millions of baby boomers, the oldest of whom are now about 45. Advancing age, the ads observe, has widened their bottoms. The message from a maker of blue jeans: "You're not a kid anymore." That is bound to depress many a yuppie; Americans by and large dislike being reminded of advancing age.

The American Association of Retired Persons produces a degree of hyperventilation comparable to a draft notice or a tax audit by sending out letters to potential members when they turn 50.

And there are some who steadfastly refuse even the advantages of advancing age. One such man insists on paying full subway fare and only asks for a senior citizen discount at the movies when no one else is in line.

On a recent trip to England, the same man discovered that senior citizenship there starts at 50. That made it a lot easier to accept the discount at the Victoria and Albert museum and ride the special bus on the stately home tour. He could only be pleased that the British threshold permitted him, a sexagenarian, to pass for 51.

— THE NEW YORK TIMES.

Other Comment

Winning the Hostage War

The United Nations secretary-general, Javier Pérez de Cuéllar, says he has been working for more than two years to free the hostages taken in Lebanon. Now he is certain their release is near.

One hopes his optimism is not a result of yet another mindless concession by the Israeli government.

Hostage-taking in Lebanon is a manifestation of anti-Western, anti-Israeli terrorism. It is part of a war which, with the demise of the KGB and the diminishment of Soviet influence, can now easily be won by the West.

The real enemy is not the terrorist groups per se. By now, even the most gullible Westerners admit that Hezbollah, Islamic Jihad and the various groups of terrorists in Lebanon are not "freedom fighters" but surrogates of Iran or Syria.

If the West had had the will to take concerted action against these godfathers of terrorism, it could have ended the hostage horror overnight.

The West's unwillingness to take political, diplomatic and economic action against Syria and Iran renders it impotent against the hostage takers.

It is not their efforts, nor those of Mr. Pérez de Cuéllar, that will effect the hostages' release, but Syria's and Iran's decision to cash in their hostage chips for Western grants, loans and investments.

The delay is caused by Syria's and Iran's attempt to extort a price from Israel in the bargain, particularly because they also are holding Israeli prisoners.

— The Jerusalem Post.

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OPINION

Coup and Collapse: The Wheels Began Turning Long Ago

By Zhores A. Medvedev

LONDON — For the past two weeks, the world has watched as my country has hurtled along a path to self-destruction — the failed coup against Mikhail Gorbachev, rapid moves to dissolve the union of 15 republics, the growing rivalry between Mr. Gorbachev and the Russian Republic president, Boris Yeltsin.

But all of these dramatic events — including the machinations of the conspirators — have been in motion behind the scenes for some time. Indeed, Mr. Gorbachev himself was certainly aware of a plot to remove him. What he did not expect was that the plotters would attempt to overthrow him by means of a coup.

Gorbachev, under attack from left and right, saw the center eroding too, as aides defected to both sides.

Since Mr. Yeltsin's presidential victory in June, it was clear that the Communist Party was doomed. Hard-liners realized that they needed a way to visibly transfer power to themselves to keep the union together.

The alliance consisted of the party apparatus, the KGB and the army — the three pillars of the Soviet state. And Aug. 19 was not the group's first attempt to take power. In late June, a secret attempt was made by these forces to bypass Mr. Gorbachev.

At that time, three of the men who became coup plotters — Defense Minister Dmitri Yazov, Interior Minister Boris Pugo and the KGB chief, Vladimir Kryuchkov — delivered a secret report to the Supreme Soviet, accusing Mr. Gorbachev of neglecting his constitutional duty to defend the integrity and security of the U.S.S.R.

Mr. Kryuchkov meanwhile was promoting a conspiracy theory, telling deputies privately that Western governments and other services were buying influence among Soviet liberals and radicals by paying them huge sums in the form of advance payments for books, lectures and interviews.

The pressure on Mr. Gorbachev had been intense for some time. Since the beginning of the year, he had been pushed to resign by both hard-liners and reformers, and the political center was rapidly eroding as Gorbachev aides defected to both sides.

In December, Mr. Gorbachev's senior military adviser delivered a handwritten ultimatum signed by 20 top military commanders. They criticized Mr. Gorbachev and Eduard Shevarnadze, who was still foreign minister, for the collapse of the Warsaw Pact. And they made it clear that the army would not tolerate the loss of the strategically important border republics. It was then that Mr. Shevarnadze resigned with a dramatic warning that a military coup was imminent.

In March, Mr. Yeltsin appeared on television to demand Mr. Gorbachev's resignation and the transfer of presidential power to the Council of Federation, a group consisting of the republics' parliamentary chairmen. This call was supported by strikes in many parts of the country.

In late April, hard-liners nearly forced Mr. Gorbachev to resign at a Central Committee meeting.

Mr. Gorbachev believed that any action against him would be taken either by the full Congress of the Communist Party, which has the right to replace the general secretary, or by the Congress of People's Deputies, which chose him as president. He knew that the next Party Congress, probably in December, would be very difficult. And he knew that opposition was gaining momentum.

Provincial party bosses were openly against him. Toward mid-July, 40 regional party organizations (out of 120) had passed resolutions citing the need to replace Mr. Gorbachev as general secretary. Some even demanded that he be put on trial.

Yet Mr. Gorbachev remained hopeful. He expected some political stability after the crucial events scheduled for the summer: the London meeting with the leaders of seven leading industrial nations; the new liberal party program being prepared for the Central Committee plenary session at the end of July; President George Bush's visit to Moscow, and the signing of a new union treaty.

He returned from London in a mood of great disappointment; he felt betrayed by the West, written off. The draft of the new program was not at all democratic, and Mr. Gorbachev quickly rejected it. An alternate draft was presented by Mr. Gorbachev to the Central Committee on July 25.

He expected a battle with party hard-liners, and it was known that a kind of "no confidence" motion was prepared and supported by the Russian federation and Moscow party organizations. Surprisingly, though, the session of the Central Committee was quiet; the expected opposition did not materialize. The draft of the new democratic program was approved easily. And at the end of the day, Mr. Gorbachev was jubilant.

The outcome could be explained in part by Mr. Yeltsin's presidential decree against Communist Party primary cells, which transformed Mr. Yeltsin into the main threat for party hard-liners. In addition, Mr. Bush was supportive and praised Mr. Gorbachev as a great political leader, and made it clear that the United States would not support nationalist forces.

But events were taking on a life of their own. Mr. Gorbachev, after his annual vacation in the Crimea, was due to return Aug. 19 to preside over the signing of the new union treaty.

The chief contradiction of the independence movement, however, was the simple fact that economic independence already was impossible. The republics were effectively united into one gigantic infrastructure that needed central management to survive. Ethnic tensions also were mounting. Last year and this, there have been at least 10 border disputes and several minor ethnic wars, producing about half a million refugees.

Meanwhile, the final text of the treaty was published Aug. 15, and it included some surprises for the powers-that-were in Moscow. They concluded that the individual republics would get so much power that the central federal government might not be able to function — even in the management of the state finances. The more desperate of these forces were ready to prevent the signing of the new treaty by any means.

These forces also recognized that the Communist Party was dying, even before Mr. Yeltsin and Mr. Gorbachev struck last week. The new general elections probably would have removed the party from power.

Then power would not have flowed to democratic movements, which have little organizational structures, but to nationalist forces, as suggested by the emergence of Mr. Yeltsin's power.

Since Aug. 21, Mr. Yeltsin has been dictatorial. Signs of imperial colonialism have particularly frightened the most dependent Central Asian republics.

The emerging Russian business classes, still as weak as the market economy they represent, have concluded that what is needed to quickly transform the centralized economy is a just dictatorship, not democracy. But the economy may simply collapse, together with the military-industrial complex and all the expensive tools of state power.

The Communist Party was "unreformable," but the Soviet economy, which is made of many monopolist giant enterprises, may likewise be unreformable. All of it may crumble together with the political system.

The first Russian revolution left the country with what is known as "razrukha" (complete disintegration of the economy). The second revolution might lead to the same result.

Boris Yeltsin was the man to crush the old system. I suspect someone like Mikhail Gorbachev will be better at combating what is beginning to look like a terrible slide into chaos.

The writer, exiled from the Soviet Union in 1973, is author of books on the Khrushchev years, the Chernobyl disaster and Mikhail Gorbachev. He contributed this to The Washington Post.

A Harvest Away From Reckoning

By John Schnittker

WASHINGTON — The political collapse and economic decline of the Soviet Union coincide with another poor grain harvest there. The rest of the world should have the capacity to fill the Soviet shortfall this year. But to go beyond the coming year will require higher production in the United States. And to enable the Soviets to buy these stocks will require extensive credits.

Current private estimates place the 1991 grain harvest of the U.S.S.R. at 185 million to 190 million tons, down from 235 million tons last year.

The decline in Soviet crop prospects coincides with fading U.S. harvest prospects, and with a widespread belief that European, Canadian, and Chinese crops also declined in August. The U.S. wheat harvest, for example, is 20 percent below expectations.

If further crop losses occurred in August along the lines described above, the world grain harvest may be 40 to 50 million tons (2.5 to 3 percent) below grain requirements in the year ahead. U.S. wheat and feed grain stocks will be reduced to uncomfortable but not dangerously low levels before 1992 crops are ready.

These developments have raised U.S. grain prices by around 20 percent. They do not, however, suggest that the world faces an imminent grain shortage, or that by responding to Soviet needs the United States, Canada and Europe risk upsetting food price stability or falling short in supplies for other markets. Rather, they focus attention on the need for good harvests next year.

Last year the Soviet Union imported about 26 million tons of grain. It is expected to need 40 million tons or more in the year ahead. If crop conditions decline further, or if the political upheaval has led to greater than usual harvest losses or shipping delays, import requirements may be greater still.

Imports are now principally feed grains used to keep the huge beef and pork enterprises operating. The U.S.S.R., the world's largest wheat producer, usually feeds half its wheat to livestock and poultry. This prodigal use of food grains as animal feed helps illustrate the nature of what might be called a "food shortage" in the months ahead. These events, if they develop, will be far different from food crises in Africa in the 1980s.

Soviet food shortages will represent failures in the harvest of perishables such as potatoes, and in processing and distribution of wheat flour and meat. Meat shortages would raise the specter not of hunger and famine but of political unrest.

Failure to provide the grain and protein meal needed to continue livestock production would lead to slaughter of breeding herds. This would ease the meat shortage for a few months but worsen it later.

President George Bush's announcement this week that $315 million in credits to the Soviet Union, authorized last June, can be used now instead of being held until October represents a recognition of the severity of Soviet needs.

Speeding the credits also brings closer the day when the United States must decide how and to whom to grant additional credits. Practically all of the grain, oilseeds, and meat imports into the Soviet Union must be financed externally for an indefinite period. This will require something like $5 billion a year from the West.

The writer, a consultant, is a former U.S. deputy secretary of agriculture. He contributed this comment to The Washington Post.

A Rising Clamor (Listen to the Echo) for Rule by Law

By Anthony Lewis

BOSTON — It is Moscow, 1991. But at times it could almost be Philadelphia, 1787.

In the anxious voices of those trying to reshape what was the Soviet Union one hears some of the same conflicting concerns that preoccupied the Framers of the American Constitution: fear of authority and fear of chaos, the demand for local political independence and the recognition of economic interdependence.

We forget, we ahistorical Americans, how divided the 13 original states were, how jealous of their individual sovereignty. After winning independence from Britain they joined together in only a weak, utterly ineffectual confederation.

What drove them toward "a more perfect union," as the Constitution put it — what overcame localism — was economic trouble. The states put tariffs on each other's goods, and trade was dying. Even then, James Madison and Alexander Hamilton had to struggle against odds to persuade the states to send delegates to the Philadelphia Convention.

The Soviet people have lived for more than 70 years with a tyranny more complete — totalitarianism — than the 18th century knew. It is no wonder that members of the Supreme Soviet want restraints on official power — a law, as Deputy Vladimir Zolotukhin put it, to make sure that "everybody," from president on down, "complies with the law."

But 18th-century Americans had had their experience with George III, and fear of centralized power was a dominant factor in the drafting of the Constitution. That is why the Framers divided power between the states and the center, and among the branches of the federal government.

The intricate constitutional structure of divided powers was still not enough to reassure Americans. In 1791, just four years after the convention, 10 amendments were added — the Bill of Rights — to protect individuals from abuse of official power. And here again we can find similar concerns in the Soviet Union today.

Alexander Bessmertnykh, the former foreign minister, complained bitterly the other day that he was being wrongly accused of passivity toward the coup. "It's not my duty to prove what I say is true," he said. "Let them prove my guilt." In short, the burden of proof should be on the state — as in the American system.

Valentin Falin, reformist chief of the Communist Party's international department, expressed outrage at the fact that prosecutors had ordered a search of his home without proper authority. America's Fourth Amendment protects against illegal searches and seizures.

Another member of the Supreme Soviet, Nadezhda Popova, denounced officials for closing down a war veterans' organization on suspicion of pro-coup activity without any proof. She asked the delegates to support the veterans' right to "freedom of thought." That was Justice Oliver Wendell Holmes's phrase for a right protected by the First Amendment.

It is moving to hear such concerns expressed in the Soviet Union today. For decades not only were homes searched without warrants, but people were arrested and killed — without a hope of redress. Yet the sense of what was right and just survived.

Of course the fact of parallel concerns cannot be taken too far. The delegates at Philadelphia were insulated, literally. They worked in secret, over months; the paving stones around Independence Hall were covered with earth so the sound of horses and carriages would not disturb them.

The men and women trying to cope with the Soviet crisis face a very different world: populous, instant, multituous. The hope for the Soviet Union must lie not in instant solutions but in time and experiment. Perhaps the Soviet republics, like the American states, will have to try separate existence before finding a lasting formula for cooperation.

If American experience shows anything, it is that a diverse people in a vast country must rely in the end on law. And the need for law — law independent of the state — is a powerful theme in the Soviet drama today.

The New York Times.

With Labor in Ruins, Maybe I Should Move to Paris

By Thomas Geoghegan

CHICAGO — In 1989, the greatest year in history while I've been alive, all I did was pile up newspapers in the back seat of my car.

Every day there seemed to be another historic headline about Poland or Prague and I would think, "Well, this paper I have to save . . . "

By June I felt like a bag lady with a shopping cart.

And now it has happened in the Soviet Union too.

I always thought that if something great or historic were to happen in my lifetime, somehow America would have to be part of it. We wouldn't just happen to watch it on television.

In America, people's eyes glaze over when you discuss labor's decline. They don't know. They don't care.

But instead, in these great historic times, I haven't done any living in history at all. I have been practicing labor law in Chicago.

It has been strange, living in America in these lightning years: watching Americans' right to strike disappear, watching union membership drop and drop. Once unionized American labor had 34 percent of the private-sector work force. Now it is down to 12.

It seems at least possible that union labor may disappear (except in baseball, the last field of dreams).

A few friends of mine have asked: "Well, what are you going to do? What line of work will you go into?"

Well, I could sneak across the border into Canada. They have a labor movement there. Or I could go to Paris. Now that would be the best revenge: living in Paris, teaching labor law to deconstructionists.

I keep meeting people from Europe who want to hear about the Wagner Act, or Taft-Hartley. It seems to fascinate them. Things that in America I have to explain slowly, in baby talk, they seem to instantly understand.

But here in America, even with liberals, their eyes glaze over. Sometimes even my eyes glaze over.

It's hard to get past words like arbitration or prevailing wages, or thick greasy phrases like the "Davis Bacon Act," which make you lose your appetite. So people give up. They don't know. They don't care.

Then there's the national labor leadership. Bald old men in Bal Harbour, Florida. Senescent, powder-drunk — men who still hate the Beatles, for God's sake.

And then every Labor Day there's the solitary Op-Ed piece, mumbling, "Labor's in a crisis . . . "

Who cares if these guys are in a crisis? Besides, I'm not sure they are. Most of them are set for life.

The members didn't directly vote them in. And the members cannot vote them out. There are, alas, no Mikhail Gorbachevs in American labor, no one to start perestroika.

People sometimes ask me, "How can you compete, with unions, in this modern world economy?"

To me the question is: "How can you compete without them?"

Every major industrial country in the world has a real labor movement but America. Germany, France, even flinty South Korea. The one exception is America, the Fabulous Invalid, whose economy always seems to be spitting and shaking and coughing. Is that a coincidence?

In the American economy, people can basically be fired at any time, for any reason. Can we Americans really compete on that basis with countries like Germany and Japan?

And it's a sullen country. People don't vote in general elections. They can be fired at any time. There's no labor movement, no social contract.

And for all this, we Americans pay a price that is stiffer with each passing year. We have no national health insurance. Private pensions are shrinking. We have a flat or even falling standard of living. In presidential elections now we don't even have a two-party system.

Without a labor movement I don't see how the Democrats can ever elect a president again.

But now labor is gone.

But why is it gone? But why isn't it gone in Germany or Canada?

We all learned in high school that thanks to the New Deal, American workers have the right to organize.

But over time union-busting consultants have convinced employers that they could violate the law freely, without any real penalty. They could pick out pro-union workers and fire them.

So what hope is there?

In 1978, a Democratic president, Jimmy Carter, did try to change the labor laws. It was just a little change, to stiffen slightly the penalties for firing workers. But the bill got mauled, it got creamed. A Democratic president, Democratic House, Democratic Senate. It was annihilated.

There are only two things I can think of doing. Maybe neither will work. First, at least try to get people interested in the subject.

Maybe some raw, bald appeal to romanticism. Because this is really labor's romantic age, when labor is something secret and in defeat. Isn't that what thrilled us in 1989 and brought the Russians into the streets?

And second, we can try to change labor itself.

In a way, the Bal Harbour guys are like Mikhail Gorbachev. They have no electoral mandate. With few exceptions they have never been elected, directly, by their rank and file.

So make them all stand for election. Every single one.

While it may take many years, sooner or later even in America it will be, will have to be, 1989.

The writer is author of "Which Side Are You On: Trying to Be for Labor When It's Flat on Its Back." He contributed this to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Roumanian Queen

PARIS — The Queen of Roumania is seriously ill at Venice. While it may be said that the rumors that Roumanian statesmen are urging their King to divorce the Queen are either unfounded or exaggerated, there is no doubt that Her Majesty's illness is partly the result of the opposition made by the King's advisers to the desire of the Queen, and the Heir to the throne that the latter should marry Mlle. Vacaresco. The Queen, as her poems show, is a woman of sensitive organization, and the mental excitement is probably the immediate cause of her nervous disorder.

1916: Russian Advances

PETROGRAD — Fresh Russian successes are reported in the gigantic battle which is raging from the Stokhod to the Carpathians and in which General Broussilov's armies have driven the Austro-Germans from important positions, despite the enemy's desperate efforts to stem the tide. The Russians' successes have been gained mainly at three points, where the fighting has developed particular fierceness — near Vladimir-Volynski, in the region of Halicz and in the Carpathians, toward Korosmez.

1941: Pacific Charter?

WASHINGTON — [From our New York edition:] Prince Fumimaro Konoye, the Japanese Premier, proposed to President Roosevelt last week that they meet aboard a Japanese warship somewhere in the Pacific for a personal discussion of Japanese-American relations in an attempt to reach a settlement of Pacific affairs, it was learned today [Sept. 2]. Konoye's proposal for a conference is modeled on the Roosevelt-Churchill meeting in the Atlantic. President Roosevelt is said to have accepted the Japanese invitation contingent on Japan's acquiescence to certain principles which the Japanese have so far failed to meet.

OPINION

The Petty Tyrants, Too, Should Be Turned Out

By William Safire

WASHINGTON — Some of us remember the imperious way Mikhail Gorbachev cut off the microphone of Andrei Sakharov when that saintly dissenter tried to protest against impending dictatorship just days before he died; for that reason, we find it hard to join editorialists who tut-tut at the "bullying" way Boris Yeltsin told the chastened Mr. Gorbachev to read out the truth from a similar rostrum.

The crowd that used to say the peoples of the Soviet empire really were born to authoritarianism, and that we should not encourage the pushy Landsbergis of Lithuania because disunion would surely lead to anarchy followed by dictatorship, now pushes this line: Let's not be beastly to the former despots in the Communist Party, the Red Army or the KGB.

"No witch-hunt" is their phrase of choice; it also comes from such overnight civil libertarians as Gus Hall in the United States and the hard-liners in Havana, Beijing and North Korea. Translated from the hypocritical, that means: Shoot if you must the 13 arrested coup-plotters, but do not harass the millions of petty tyrants, informers and social parasites who profited from the predations of communism at the expense of their neighbors.

Unfortunately, real civil libertarians are picking up that line, arguing that the Yeltsin suspension of Pravda, seizure of party assets and reign by decree defeat the democratic purposes of the second revolution. A principled stand, that — but only if the Communists were a political party, and not a conspiracy to control the society and stamp out freedom.

I'm pro-witch hunt; that is, I would release most of the totalitarian 13 (and let them lead police to the assets hastily transferred abroad). But I would fire from the public payroll every nonelected official who was a member of the party at the time of the coup. Let them go free, and go into private enterprise or sponge off the families they corruptly enriched.

What standing do well-wishing outsiders have? They also serve who only stand and root; we should let our newly freed friends know what longtime anti-Communists abroad hope to see.

We are rooting for the thorough removal of Communists (now former Communists pretending they were good republicans all along) from appointed positions of power. They are still entrenched. They are changing their spots to meet the fashion and claiming to be bureaucratically indispensable, but they are a burden to recovery and a danger to democracy.

We are rooting for the demobilization of the armed services, the cost of which is an economic millstone. "Forty acres and a mule" was a great 19th-century idea; millions of soldiers should be mustered out and given — as their private property — land and a piece of machinery to farm it.

We are rooting for the total dissolution of the KGB. The former Communist politician (he ran sixth in a field of six for president of Russia) appointed by Mr. Gorbachev to "purge" it is Vadim Bakatin, who is showing a skill for media manipulation.

He ostentatiously fires his son, showing purity from nepotism — but retains tens of thousands of secret police who should be learning what life is like on a bread line.

He terminates the KGB board of directors but keeps most of its members in their midlevel jobs, awaiting the moment of restoration. He transfers troops to the army — from which they can be swiftly recalled — rather than disbanding them.

He is bamboozling the reformers and the Western press by using all the ringing words we like to hear, safely denouncing his predecessor — while quietly continuing to maintain the center's coercive weapon against the republics, aggressively to suborn foreign officials, steal U.S. secrets and protect its web of well-paid traitors around the world.

Like Mr. Gorbachev, the handsome new KGB chief wants to fix the old central system, make it less political and more efficient — rather than do away with an imperial structure inimical to freedom.

In Kaliningrad, reports The New York Times's Henry Kamm, a construction worker collecting signatures for an anti-Communist petition had a fist shaken in his face by a naval officer, who barked, "We'll get Yeltsin and you." To which Alexandras Kovetskas replied: "We feed and clothe the military, so shut your mouth." The stunned officer fled.

Mr. Kovetskas, the world is rooting for you.

The New York Times.

Wall Outlets May Yet Be Exonerated

By Robert L. Park

ADELPHI, Maryland — I have neighbors who worry because they don't have healthy cockroaches in their home; the only one they have seen in 15 years was on its back, kicking. They suspect the previous owner contaminated the house with a powerful pesticide, so they sleep with the windows wide open, even in midwinter.

"Why not?" they say, shrugging; it also dissipates the radon seeping up from the basement.

A year ago, watching the evening news, they learned of a report prepared by the Environmental Protection Agency that warned that magnetic fields of 60 hertz are a "probable, but not proven," cause of cancer in humans. These fields emanate from the ordinary electric wires that supply power to American homes.

My neighbors moved their daughter's bed to the middle of the room so it would not be near any wall outlets.

A few weeks later the report, "Evaluation of the Potential Carcinogenicity of Electromagnetic Fields," was revised to downgrade the hazard from a "probable" to a "possible" cause of cancer. That would seem to reduce 60-hertz magnetic fields to the same risk category as artichokes or shoe polish.

Some saw the downgrading as evidence of a cover-up; others objected that even the revised report arouses concerns that are not justified by the evidence.

MEANWHILE

D. Allan Bromley, the White House science adviser, intervened, insisting that experts from outside the EPA review the report.

A review panel, composed of medical researchers, epidemiologists, engineers and physicists, met in marathon public sessions and listened to wide-ranging views. The panel found the EPA report had "serious deficiencies" and recommended that it be completely rewritten and then re-reviewed.

The review panel stopped short of exonerating 60-hertz magnetic fields. But among the deficiencies in the report, the panel found the statistical connection between power-line fields and cancer to be shaky and the laboratory evidence of biological effects to be unclear and incomplete.

The panel's cautious downgrading of the evidence linking electromagnetic fields and cancer is not unusual: in recent months the threat from dioxin has been downgraded from cataclysmic to slight or even nonexistent. Cyclamates, banned from diet soda 21 years ago, have been given a clean bill of health by new studies.

We are now told that more health problems may have been created by efforts to clean up asbestos than would have resulted had it been left alone. An international team of nuclear experts is even suggesting that the Soviets greatly overestimated the long-term health effects from the Chernobyl nuclear disaster.

Research on weak effects always involves uncertainties and creates a troubling ethical dilemma for scientists. Should suspicions of an environmental hazard be announced at once to allow people to adopt a strategy of "prudent avoidance," or should any announcement be delayed until all the scientific checks and reviews are completed?

In fact, there is little choice. Some of the coverage will be excessively sensational, but the media will not and should not wait for scientists to give the all-clear.

What should be given greater emphasis is the scientist's obligation to try to put the risk in proper perspective for the public. My neighbors should know, for example, that the risk from electromagnetic fields, if any, is very slight.

They should also know that the National Cancer Institute has undertaken a four-year study of the problem. Before they switch to candles, it would be a good idea to wait until the real risks are known.

The writer is a professor of physics at the University of Maryland. He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Protect the Minorities

As the question of independence for Soviet republics unfurls, an important issue seems to have been swept aside: the rights of minority peoples, including Russians, living within the borders of these republics. Apart from humanitarian considerations, disregard for these rights poses a threat of a major exodus of these peoples to the West.

When the Ottoman Empire broke up, the most tragic aspect of its dissolution was the massacre of minority peoples, living in what would become Turkey. Those who escaped the massacre and repression fled to neighboring countries. Following World War I, the Treaty of Lausanne (1923) promulgated a vast exchange of peoples between Greece and Turkey. The reverberations of that exchange continue.

Indeed, my father, director of the UN Relief and Rehabilitation Administration and later of the UN High Commission for Refugees, in Athens, was still resettling Greeks — who were sent from Turkey to countries as far away as Australia — until well into the 1960s.

The High Commissioner for Refugees, the Romanians, Poles, Yugoslavs and the European Community are not prepared to handle a major movement of Soviet minorities westward, should the newly independent republics be unwilling or unable to assimilate these people.

This is not to suggest precluding independence for the republics. However, in granting independence, in extending them diplomatic recognition, guarantees for minorities' rights must be made, difficult as they might be to enforce.

In the course of research for a book this spring, I witnessed in microcosm what such an exodus might portend. Frequently visiting the Romanian-Moldavian and Polish-Ukrainian borders, I passed hundreds of vehicles waiting in line for as long as six days to go west; not to mention the crowds of searching, hapless Romanians, Russians and Gypsies, residents of Warsaw's central railroad station.

NICOLAS SAPIEHA.
New York.

It may be tempting to hail new heroes the likes of Boris Yeltsin and Vytautas Landsbergis, but what steps have they offered toward protecting the rights of non-Russians in Russia and non-Lithuanians in Lithuania?

The rush to recognize and economically support the new states ignores concern with democratic and liberal values. The United States should resist this tide by enlisting nations with experience in effective constitutional systems that protect human rights, to form a corps of judicial officers that could assist the new republics.

With authorization by international bodies, neutral jurists could monitor the progress being made and do much to reassure the minorities in each state that the new governments will not be stacked against them. Economic aid and diplomatic recognition could be extended or suspended depending on the recommendations of these monitors to each nation backing the plan.

PHILIP GRANT.
Santa Barbara, California.

Now Give the Gold Back

The European Community's tardy recognition of the three Baltic countries, though welcome, is not of itself enough.

Britain should at once follow the admirable example of France and return to their rightful owners the substantial Baltic gold reserves deposited in London and Paris at the outbreak of World War II. Shamefully, as part of a deal with the Soviet Union, with Harold Wilson in office in 1969, these reserves were confiscated by the government in settlement of claimed Soviet debts to Britain.

This discreditable deal was denounced in the House of Commons by the conservatives in opposition at the time, including Margaret Thatcher. There is now no excuse for not remedying the wrongful action taken then, and restoring the trust placed in Britain in 1939.

SIR FREDERIC BENNETT.
London.

Who Will Lead the UN?

On Jan. 1, 1992, a new term of leadership for the United Nations is to begin. During the next five years, that body may have its best opportunity in many years to serve all nations and peoples in a manner in close concert with the spirit and concept of its founding. I believe that Butros Butros Ghali, Egypt's deputy prime minister for foreign relations, is uniquely qualified to be secretary-general.

Dr. Ghali is a first-class academician who has displayed the ability to analyze and choose the practical throughout his career as diplomat, journalist, minister of state for foreign affairs (for 14 years), and now deputy prime minister for foreign affairs. He has honed his skills in addressing problems associated with developing countries, particularly in Africa. He participated in the negotiations leading to the Camp David accords between Egypt and Israel, and has been continuously involved in the search for a just and lasting peace in the Middle East.

I have had the opportunity to work closely with Dr. Ghali as a young diplomat and during my terms as Egyptian ambassador to a number of African countries and Canada. I continue to be impressed not only with his understanding and skill but with the unrelenting efforts with which he seeks solutions.

MAHMOUD KASSEM.
Cairo.

While there are several qualified individuals under consideration for the post of secretary-general, one person stands above others for already having made a dramatic and positive change in world events — Mikhail Gorbachev. He has all the qualifications needed for the job: great intelligence, a broad global perspective, wide respect, a dynamic personality and a definitive vision for the future.

A strong United Nations is necessary to resolve difficult global problems in the crucial years leading to the 21st century. Mr. Gorbachev can provide the required leadership.

DOUGLAS MATTERN.
Palo Alto, California.

Not Colonial America

Regarding "This Barren Strategy Must Give Way" (Opinion, Aug. 24) by George Will:

The writer attempts to find parallels between the process of federalization now occurring in the Soviet Union and the American experience of more than 200 years ago.

American federalization was aided by the existence of a common language, the pursuit of more or less similar ideals and a small populace. Today's Soviet Union possesses none of these characteristics and confronts a situation in which the state apparatus is the antithesis of its citizens' aspirations.

Mr. Will and other commentators need not seek analogies to the American experience in every attempt at democratization and federalization. Rather, the federalization processes going on in the Soviet Union and Europe should be promoted in their correct historical and cultural context.

A. PAPATHEODOROU.
London.

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Lufthansa

SEA LH IM/91

Landmark for King of Curves

10 Years Ago, Alaïa Launched His Revolution

International Herald Tribune

PARIS — If there were any justice in this (fashion) world, Azzedine Alaïa would be a worldwide household name, instead of a cult hero. It is 10 years since the small, shy, Tunisian-born designer launched the body-conscious stretch looks that have defined the way an entire generation dresses and become *the* fashion revolution of the last decade.

"Ten years? Yes, it is ten years!" said Alaïa at his Paris studio in the Marais, where he will open a boutique (decorated with panels by the New York painter Julian Schnabel) this month. While other designers celebrate landmark years as rites of passage, Alaïa will not be marking these first 10 years. Nor does he even admit the overwhelming influence on fashion of his ideas.

SUZY MENKES

"Who can really say who invents something first in fashion?" he says. "I had used the stretch materials for years to shape the inside of garments I made for private clients. Then I just started using them on their own. And look at the corset effects I have done in my new collection. They go back to the 18th century, even if no one had done them in knit before."

The corsets in question include a lightly-boned version of the "body" — the one-piece foundation that was another of Alaïa's gifts to the fashion world. Other outfits in his new collection are made with a network of openwork seaming tracing the shape of the body without constricting it and revealing flesh in a subtle way. The thrust of the top halves is designed not just for sex appeal (although that never seems far from Alaïa's fashion vision), but also to balance the new mid-calf lengths. The designer who was the master of the skimpy skirt, showed, in a big collection, almost entirely skinny skirts falling to mid-calf.

"IT is time to change," he says. "But you have to show them with high heels, or the long length looks drab." The alternative was a shorter skirt, flared at the front, cut on the bias, with a wrap at the back — a masterpiece of fashion origami that shows the designer's technical skill with the scissors.

Alaïa, who originally studied sculpture at the Ecole des Beaux Arts in Tunisia, and worked briefly with Thierry Mugler, launched his clingy line in 1981 — at the moment when fashion was entering the oversized, androgynous era. His body-conscious clothes seemed a deliberate challenge — throwing down a sexist gauntlet in a feminist world. The first collection included riveted gauntlets in the glove-soft leather that has become one of the hallmarks of his designs. Big leather riding coats and curvy wool jackets — shown this season with the skimpy skirts, 1940s hairstyles and high-heeled ankle boots — are the commercial heart of Alaïa's line.

Ah commerce! It is hard to believe that Alaïa himself has ever made a commercial decision. While the mass-market has fed off his clinging styles for at least seven years, he works in the back room, head down, perfecting the patterns that he cuts entirely himself. His lack of interest in self-promotion is legendary. He does not speak English. He does not like airplanes. Another designer might have used his power as King of the Curves to take on quick-buck licensees for undies, swimsuits or exercise clothes — or even raised backing for a chain of boutiques. Alaïa prefers to work to his own standards and an idiosyncratic time scale.

As it is, Bergdorf Goodman (which stopped carrying the line in 1985 after a contretemps with the designer) will put Alaïa back in the store this fall.

The autumn collection was shown months after all other designers, who present in March, on a steamy Saturday night at the end of July, when the entire fashion world had left for vacation. Only the unswerving loyalty of the world's top models — Christy Turlington, Claudia Schiffer, Naomi Campbell, Elle MacPherson — kept them in town. Alaïa was the first to put them on the runway, thus starting yet another fashion trend of making models into superstars. He created a fluffy-bunny white outfit in which Naomi Campbell paraded mouthing the words of her newly launched pop record.

The recurring themes of the collection were the shapely tops and long skinny skirts, leopard prints and fabrics with a tactile feel, from fake fur, to a new boiled-up knit and sloppy Joe tunic sweaters in fruits-of-the-forest colors: hawthorn orange, bilberry and cranberry.

"There is a sensuality about fabric," says Alaïa. "I think all materials should be inviting when they touch the skin. When I watch children stroking their mother's clothes, I feel that I have succeeded."

ALAIA'S secret — and the reason why his clothes have such a faithful following — is his research into materials and above all the way he cuts them.

"Although I was working with stretch from the beginning, I never made tubes." he says. "Jersey was always cut and pieced together. And these knits are not printed; the jacquard knit is worked to make the pattern fall like this."

He is holding a body suit with a butterfly motif, inspired by Arletty, who is one of his heroines. The suit sashayed down the runway spreading colorful wings across each buttock. Copyists would just splash on a print to give the same effect — but not, of course, the same fit.

The irony of Azzedine Alaïa's work is that whereas his look has been molded to the mass market by using Lycra, his own versions are painstakingly crafted with traditional dressmaking skills. Alaïa started his career as a dressmaker whose name was passed by word of mouth among chic Parisian women. And he still has as clients or customers women who look to him to iron out or reshape the little bulges.

So while many women have rejected the body-hugging look as only for the young with beautiful bodies, the unsung fashion hero who started it all aims to dress every woman so that her body looks a cut above the rest.

Thierry Perez

Alaïa's uplifting corset top and animal print trimmings.

Thierry Perez

Alaïa goes long with body hugging silhouettes and butterfly motifs on jacquard knits.

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Herald International Tribune
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STYLE MAKERS

Robert Loughlin

PICKING ANTIQUES

New York Times Service

NEW YORK — Robert Loughlin likes to sit on the nubby chartreuse sofa in his Spartan trailer, circa 1954, with a Budweiser and the latest issues of decorating magazines. He flips once through the pages, pausing to point out a Russel Wright lamp here, a Donald Deskey console here.

"Yeah, that's mine," he tells his partner, Gary Carlson, who is usually rustling up something in the microwave oven, like Spam. "Yeah, yeah," Loughlin goes on, flipping pages. "More stuff of mine."

Then, since Loughlin holds onto almost nothing for long, he leaves the magazines in the laundry room of the trailer park in northern New Jersey. Minutes later the wiry, intense-looking man of 42, and Carlson, who is about the same age and built like a lumberjack, are moving through the Lincoln Tunnel in a pickup, bound for Manhattan and another day of rough-and-tumble in the 20th-century decorative arts.

Loughlin is what is known in trade as a picker. And the picker makes the antiques world go round. Unlike the collector who must possess the thing, unlike the dealer who holds the thing for a time, massaging and shining it before showing it in a shop, the true picker wants only to discover the thing, to touch it, let it pass through his hands, like an old forty-niner.

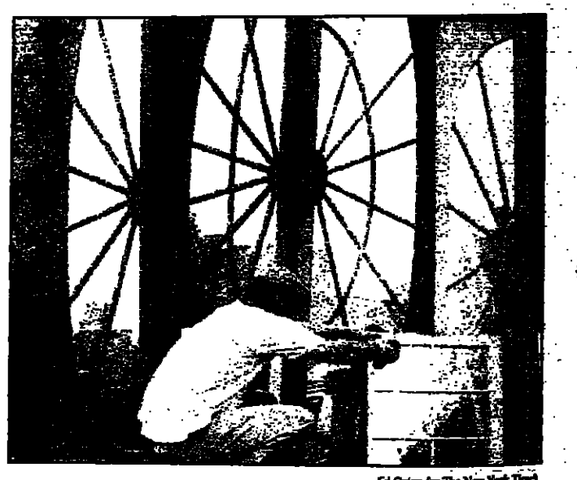
What discerning pickers buy usually ends up in fancy galleries for double or triple the price. What Robert Loughlin buys may carry a higher markup.

Loughlin's world is the 1920s through '60s. Furniture began looking to the future in that period. There was an explosion of new materials, technologies, designs.

"So much was happening," said Alesh Loren, a partner at 280 Modern, a gallery in SoHo. "Good things got overlooked. Now Robert is finding them and putting them in the shops. Robert is a style setter."

Last week 280 Modern sold a sleek Italian Tecno chair by Oswaldo Borsani for $2,800. It was bought from Loughlin for $1,300. He bought it at the 26th Street flea market for $250.

"Robert is a natural force," said Loren. "He's self-taught and highly intuitive. His taste is sophisticated and complex." He is also something of a scene stealer. Connoisseurs at the sprawling 26th Street market on weekends know that. When he works the tables, he is like a gold prospector, they say, or a bloodhound, or a smart bomb.



Ed Quinn for The New York Times

Robert Loughlin checks the merchandise at a market.

Loughlin was looking cocky. He had just bagged a $125 table on the other side of the market. Dealers had been walking past that same table for hours. An elegant plywood table with a lot of planes. It reminded him of Frank Lloyd Wright. It wasn't signed. It could be nobody. It was beautiful.

Now he was passing out Polaroid snaps of the table. Dealers were gathering at the back of the pickup to look. Now he was posing beside the table in the middle of street. The owner of a downtown gallery, who happens to collect Wright pieces, appeared. He bought the table. Don't ask how much.

"He promised if it turns out to be something, he'll be good to me," said Loughlin, who looked pleased enough as it was. "Sure I trust him. You know the ones to trust in this business. The ones who betray you, bye-bye."

Georgia Dullea

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ACROSS

1 Meerschaum
5 Precious
9 Wild
14 Apartment, e.g.
15 Other
16 Pointed arch
17 Find unready
20 A natatorial Williams
21 More dilettantish
22 Orals, e.g
24 Sidekicks
25 Lowe and Reiner
28 Bulldogs' alma mater
30 Kruger and Graham
34 Noted time
35 Name for a pooch
36 Colored-glass design
37 Prohibit
38 Burdensome
40 ——-Jo Joyner of Olympics fame
41 Clear
43 Remedy
44 Bog
45 Ermine in summer
46 Assignment
47 Capital of Phoenicia
48 Ten omers
50 Beginner
52 Fright or strong aversion
54 Comic Russell
58 Benefactor's activity
61 Ethan or Gracie
62 Troublesome deity
63 Merry king
64 Baker's buy
65 Red news source
66 Sail support

DOWN

1 Brownish purple
2 Clair and Balin
3 The Great Commoner
4 Does aquatints
5 Benefactor's activity
6 Building wing
7 —— rule (generally)
8 Bind afresh
9 Unconfined
10 "I" is their No. 1 letter
11 Ceremony
12 State
13 —— Zeppelin, rock group
18 Evil spell
19 Brother
23 Constructed
25 Picture puzzle
26 Praying female figure
27 Casino patron's interjection
29 Spanish poet Garcia ——
31 Pulled candy
32 Houston pro footballer
33 Teatime snack
35 Tec's clue, at times
36 Gloom
39 Eject
42 Ophelia's brother
46 Goal
47 Themes
49 Sweetie
51 Tease; twit
52 Gap
53 Oop's companion
55 Kind of sink
56 Cinders of comics
57 North Sea feeder
58 Wray of films
59 Singer's syllable
60 Towel identification

Solution to Previous Puzzle

C	A	F	E		V	I	L	E	R		E	D	A	M
A	N	O	N		A	B	A	S	E		L	A	V	A
S	N	U	G		S	I	X	S	H	O	O	T	E	R
T	A	R	R	I	E	S		E	E	R	I	E	R	
		B	A	N	S				A	E	S			
W	E	A	V	E		S	T	A	R	L	E	T	S	
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F	O	R	T	Y	N	I	N	E	R		I	L	L	Y
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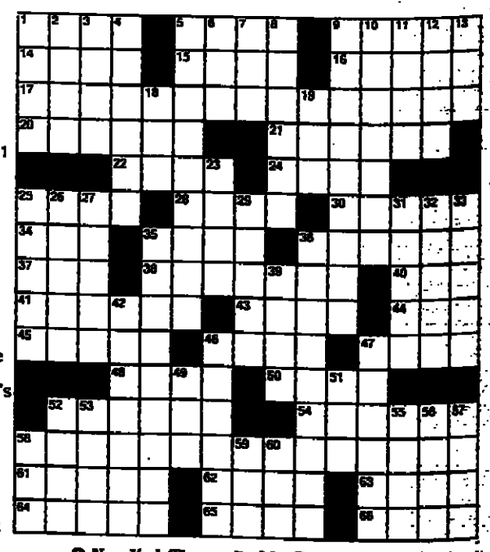

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Welcome to Asiana

Herald Tribune (International)
BUSINESS/FINANCE
TUESDAY, SEPTEMBER 3, 1991

FLY ASIANA TO SEOUL
TAIPEI TOKYO HONG KONG BANGKOK SINGAPORE

WALL STREET WATCH

For the Dream Factory, A Real-Life Awakening

By Alan Citron
Los Angeles Times Service

LOS ANGELES — At Universal Pictures, the party is over. The studio has decreed that it will no longer pay for the elaborate premier parties that are a staple of the Hollywood social scene. Universal's surprise move is emblematic of an industry-wide slump, as plunging profits and weak ticket sales have sent the dream factory into what some see as its deepest downturn in 20 years.

In an industry seen as recession-proof, profits will tumble 20 percent this year, after a 15 percent fall in 1990, according to David J. Londoner, an analyst with Wertheim Schroder & Co. in New York. Wall Street's lagging enthusiasm for Hollywood is quite clear: Entertainment stocks were down an average of 22 percent from their 52-week highs as of Aug. 1, according to Donaldson, Lufkin & Jenrette Securities Corp.

Wall Street's lagging enthusiasm for Hollywood is quite clear.

After a decade in which production costs almost tripled, austerity is now the rule. The 1992 schedule at Universal — a unit of MCA Inc., which is owned by Matsushita Electric Industrial Co. of Japan — contains only one film budgeted at more than $30 million, a Ron Howard-Tom Cruise project called "Far and Away."

Walt Disney Co. has slashed its film costs 35 percent to 40 percent. And Columbia Pictures Entertainment Inc., owned by Sony Corp., cut overhead by $25 million this year.

In related moves, Paramount Pictures Corp. has jettisoned the high-priced producers behind the successful "Naked Gun" movies. Warner Brothers Inc. will shoot "Batman 2" on its back lot, after traveling to England for the original.

Twentieth Century-Fox Film Corp. will cut back runaway marketing costs, which the Fox Inc. chairman, Barry Diller, called "sheer lunacy."

Regarding the film industry as a whole, he said: "If costs had remained flat, the downturn wouldn't be bothersome. But costs have been wildly exceeding the temperature of the market. Unless that is reversed or balanced in some way, it will have obvious, disastrous repercussions."

ESPECIALLY HARD hit by the downturn are independent production companies, many of which have been responsible for some of Hollywood's recent successes.

A spate of bank mergers and bad loans has created a credit crunch that threatens the survival of some of them. Independents, which secure their own financing and distribution, are in a scramble for production money.

"It is perhaps a sea change in the financing environment for Hollywood," said Harold Vogel, a Merrill Lynch & Co. entertainment analyst. "The competition for big stars and the spending patterns were really rooted in the low-interest capital that was available from the mid-1980s to about 1990." In today's environment, he added, "You've got people looking at big budgets and wondering how they're going to finance all this."

The final, crushing blow to Hollywood self-confidence came this summer, as big-budget movies such as "Hudson Hawk" and, to a lesser extent, "V.I. Warshawski" nosedived.

Hollywood's accounting methods are notoriously indecipherable, and only half of the major companies are publicly held. But analysts and others agreed that profit margins have significantly narrowed. Mr. Londoner estimated that the major studios combined made about $1.2 billion in 1989. This year, he said he expected pretax profit to drop to about $800 million.

Analysts said Hollywood's biggest challenge was determining how to enforce reasonable budgets without alienating audiences accustomed to big-name stars and even bigger special effects. Traditionally, studios have a hard time rejecting projects that appear to have "hit" written on them.

"Trying to be sensible and stay sensible in this business is a chore," said the chairman of Warner Brothers, Robert Daly. "It may sound easy, but to do it is a lot of work."

Dutch Offer Proposal For EMU's 2d Stage

Compiled by Our Staff From Dispatches

BRUSSELS — The Netherlands has launched treaty proposals that call for the creation of a beefed-up monetary advisory body in 1994 to prepare for full economic and monetary union in the European Community, EC officials said Monday.

The proposals from the Dutch, who hold the rotating presidency of the Community, spell out in detail how some or all EC members would decide on currency union.

The Dutch idea of a European Monetary Institute, which would pave the way for a European Central Bank, is new in the debate over whether the Community should have a common central bank in 1994, when the second stage of EMU is to start.

The proposals were circulated before EC negotiators resume talks on an EMU treaty Tuesday after their summer break.

EC nations have set a deadline of early December to finish their treaty-drafting so EC leaders can endorse their work at a year-end summit in Maastricht, the Netherlands.

In a related discussion, the EC monetary committee met Monday to discuss EMU issues such as which inflation, interest-rate and budget-deficit criteria should determine if EC members are fit to join a union.

The Dutch proposals for an EMU treaty differ from a draft circulated in June by the previous president, Luxembourg. That plan would split the second phase of EMU into a strengthened committee of EC central bank governors in 1994 followed by a European Central Bank System as early as 1996.

The Dutch, by contrast, want a monetary institute that would comprise an independent president and vice president plus the 12 governors of EC central banks. The monetary institute could make recommendations to EC members on monetary and exchange rate policy but would not from 1994 control EC monetary policy.

By the end of 1996, the Dutch want a progress report by the EC Commission and the monetary institute on EC members' economic convergence.

The Dutch propose that when at least six member states fulfilling the criteria decide among themselves to form a union, they could proceed, naming the president, vice president and executive board of a European Central Bank. *(Reuters, AP)*

Indonesia Pressures Chinese

Native Groups Seek Wealth Shift — Voluntary or Not

By Michael Richardson
International Herald Tribune

JAKARTA — Sofjan Wanandi chuckled when he told a recent visitor to his corporate headquarters in a refurbished Dutch colonial mansion that the building once served as a hideout for him and other students organizing protests against Indonesia's left-leaning President Sukarno in the 1960s.

Mr. Sofjan, a fourth-generation Indonesian of Chinese descent, heads the Gemala Group of companies, a privately owned conglomerate controlled by members of his family.

Gemala has interests in Indonesia, Australia, Canada, Britain, Sweden and Ireland spanning manufacture of automotive parts, pharmaceuticals, chemicals, banking, insurance and property development. Group sales in 1990 were about $600 million.

By far the largest part of Gemala's assets are in Indonesia and Mr. Sofjan — who said he speaks Indonesian and English but no Chinese — is not amused by some of the recent criticism of the Chinese community by prominent *pribumi*, or indigenous, Indonesian businessmen.

For instance, Probosutedjo, chairman of the Association of Young Indonesian Businessmen, said small- and medium-sized companies, predominantly owned by pribumis, need government protection through anti-monopoly law.

He implied that Chinese clannishness had a great deal to do with their commercial success. Indonesian Chinese had failed to integrate as effectively as Indonesians of Arab or Indian descent and had used "solidarity to gain profit," he said.

In an earlier reproach in June to the country's "nonindigenous" businessmen, Mr. Probosutedjo said "we still doubt their sense of nationalism."

His remarks are taken seriously in Jakarta because he is the half brother of President Suharto — a retired general who took over in 1967 at a time of growing economic chaos and hardship after pressure from students, backed by the military, forced Mr. Sukarno to stand aside.

Remembering the risks that he and other student leaders took in those days, Mr. Sofjan responds with emotion to allegations of disloyalty to Indonesia.

He said many Indonesian Chinese "are trying to be good citizens and build this country." He added, "If they do not consider me as an Indonesian, what the heck."

The views of Mr. Probosutedjo reflect a vocal minority of pribumi business leaders, some of whom are pressing for introduction of a Malaysian-style system of legal discrimination against Chinese in favor of indigenous citizens in such areas as stock ownership quotas, management representation, access to bank loans and award of government contracts.

Sudomo, the Indonesian minister for political affairs and security, rejected the Malaysian model for Indonesia. "We do not agree with it because it is a form of discrimination that will not help us build our economy," he said.

Nonetheless, the issue goes right to the heart of economic and political life in Indonesia — the world's fifth-most-populous country, with almost 190 million people. Despite a marked improvement in living conditions for many Indonesians since Mr. Suharto came to power, the gap between rich and poor remains a burning issue.

Although constituting only about 3 percent of the population, Indonesian Chinese, partly through hard work and entrepreneurial skill, have gained a disproportionately large share of wealth

See INDONESIA, Page 11

Westland Wins £1.5 Billion Naval Contract

Compiled by Our Staff From Dispatches

LONDON — A consortium led by Westland Group PLC won a £1.5 billion ($2.5 billion) contract on Monday to sell the Royal Navy 44 anti-submarine helicopters.

The contract to build the Merlin helicopters will provide invaluable work for Westland, which was forced in July to cut 350 jobs from its work force of 9,000 because of a shortage of orders.

Westland, Britain's only helicopter maker, had to be bailed out five years ago in what turned into one of the loudest political quarrels of the past decade within the Conservative government. It was eventually bailed out by a group led by United Technologies Corp. of the United States.

The defense secretary, Tom King, said at a news conference that the Westland group, which included International Business Machines Corp., had bid lower and "offered better value for money" than the competing consortium.

That consortium comprised British Aerospace PLC and Britain's General Electric Co., which is unrelated to the American company of the same name.

BAe and GEC entered the bidding partly to get experience to compete for foreign helicopter contracts.

"The two consortia both clearly showed the technical and management ability to take on the task," said Mr. King, who announced the contract award during a visit to a naval base at Portsmouth.

BAe's chief executive, Richard Evans, wrote to Prime Minister John Major last month saying that the U.S. government could block exports of the Merlin if IBM won the contract and used American computer technology.

IBM has said the Merlin computer technology will be produced in Britain and it will not rely on existing IBM technology.

The Merlin is a naval adaptation of the EH-101 transport helicopter developed by Westland along with Agusta, a subsidiary of Italy's state-owned Ente Partecipazioni & Finanziamento Industria Manifatturera.

The Royal Navy's Merlins are due to enter service in the second half of the decade, replacing the the Sea King model now in use.

Helicopters based on the EH-101 design have already won contracts from Italian and Canadian naval forces and are thought to have a potential market, both civil and military, of 750 helicopters worth an estimated £10 billion.

Mr. King said that the British engine maker Rolls Royce PLC would supply its RTM-322 engines on the Royal Navy order.

The contract also includes an order for a submarine-hunting sonar, worth up to £100 million, to be built by a joint venture of Britain's Ferranti and France's Thomson.

The Westland-IBM contract involves overseeing the entire production and carrying the risks if it runs late or costs rise.

Westland was at the center of a political storm in 1986 that led to the resignation of two cabinet ministers and almost brought down Margaret Thatcher's government.

The then-defense secretary, Michael Heseltine, wanted a European consortium to rescue the company, and opposed other government ministers who favored the American-led bid. He and and then-trade and industry secretary, Leon Brittan, resigned over the dispute. *(Reuters, AFP, AP)*

BCCI Forgave $150,000 Loan to Andrew Young

By Martin Tolchin
New York Times Service

ATLANTA — Andrew Young, the former ambassador to the United Nations, has said that the Bank of Credit & Commerce International last year forgave a $150,000 loan to his consulting firm, freeing him from a personal obligation to make $32,000 in annual payments on interest and principal.

An Indonesian-owned bank tentatively agreed to buy BCCI's Hong Kong unit. Page 11.

The forgiveness of the loan to Mr. Young's company was typical of the style of the bank, which allegedly spent millions around the world in efforts to influence public officials. BCCI was seized last month by financial regulators in several countries after the Bank of England uncovered evidence of widespread fraud, drug trafficking and money laundering.

Mr. Young said he regarded the debt forgiveness as belated payment of $50,000 in annual retainer fees that the bank had promised his consulting concern while he was mayor of Atlanta from 1982 to 1990.

He said the oral agreement for the consulting fees was made by the founder of BCCI, Aga Hassan Abedi, a Pakistani financier who is now gravely ill. Such a promise generally must be made in writing in order to be legally binding.

Federal investigators confirmed that the circumstances of the debt-forgiveness agreement are under investigation as part of the government inquiry into BCCI's connections in Georgia. The investigators said they have no evidence that Mr. Young did anything illegal, such as using his position as mayor to help the bank.

Joe Whitley, the U.S. attorney in Atlanta, said that no law — federal, state or local — bars public officials from conducting businesses or receiving gifts while in office.

Mr. Young said that neither he nor his concern performed any services for the promised fees other than to be on call as a consultant. He said they were never called upon and had never received the retainer fees.

The forgiveness of the loan was compensation for BCCI's having had "the right to call on us if they wanted to or needed to," Mr. Young said. "They didn't." He added, "When people retain a lawyer or a consultant, they retain them whether or not they actually call on them."

Mr. Young said Mr. Abedi had suggested in 1986 that the firm receive a retainer but that the Pakistani then "had his heart attack so we never got it."

Mr. Abedi remained in command of BCCI in 1987. It was not until early 1988 that he had the heart attack, followed by a heart transplant. He has been in poor health since and has not had an active role in BCCI.

The loan to Andrew Young Associates initially came from a $175,000 line of credit obtained from the National Bank of Georgia in 1982, the year he became mayor. He said it was secured by liens on his house and the house of Stoney Cooks, a business and political associate.

Mr. Young said Mr. Cooks initiated negotiations with BCCI that led to forgiving the debt, because Mr. Cooks sought to refinance his house and needed to remove the lien that had secured the debt.

Mr. Young also said that BCCI executives had suggested canceling the debt. "It was their idea," he said. "I signed off on it."

Mr. Cooks' recollection of the matter differs. He said in an interview that the amount of the debt was $165,000, not $150,000. He also said that the negotiations were not prompted by a desire to refinance his house, but by a wish to be compensated for services that he said were in fact performed by the consulting firm.

Opportunity Knocks as Union Crumbles

With Soviet Collapse, Some Western Investors See Rewards for Quick Moves

By Steven Greenhouse
New York Times Service

PARIS — Even before the colossal events of recent days — the Soviet coup, the collapse of communist rule, the splintering away of the republics — everything seemed to be going wrong for Dresser Industries' plans to rebuild an aging drill-bit factory in southern Russia.

The central government in Moscow was feuding with the Russian Republic over who was empowered to award the huge contract to the Dallas-based producer of oilfield equipment. One ministry with which Dresser was dealing was almost dissolved. And Dresser's Soviet partners, ministries responsible for chemicals and heavy machinery, were struggling to find hard currency to fund the project.

Although last month's twists and turns leave many daunting uncertainties about the Soviet Union's future, Dresser's chairman, John J. Murphy, said he was confident that August's events will help end the logjam on Dresser's project and the stalled plans of dozens of other Western companies.

"Within the Russian Republic I think things will accelerate very quickly, and that should also be true for the Ukraine," said Mr. Murphy. "The people who were blocking reform are gone."

Western capitalists — those villains the Soviet leader, Nikita S. Khrushchev, once vowed to bury — certainly have cause to celebrate their ideological victory. But for companies negotiating Soviet joint ventures, questions remain about how the central government and republics will split power, whether territorial disputes might erupt between republics and what will happen to the near-worthless ruble.

Still, Westerners are reassured by two developments: Not since 1917 have the Soviet Union and its republics been so committed to building a market economy. As well, not since that time has the country been so interested in attracting foreign capital, technology and management skills to help spruce up outmoded factories, fill empty stores and feed pent-up consumer demand.

So hungry are the Soviets for Western capital that they have even offered to sell American investors a stake in their space program.

"The coup's failure has galvanized a rapidly growing desire to get on with the conversion to a market economy," said Ronald Freeman, first vice president of the European Bank for Reconstruction and Development, the new London-based bank formed to help Eastern Europe. "Everyone, at every level of government, seems to be pointing in that direction."

Many companies have shunned investing in the Soviet Union because they had little enthusiasm for its bureaucratic socialism. And executives were reluctant to take the plunge, despite the reforms of Soviet President Mikhail S. Gorbachev, because of a possible hard-line coup that might restore Stalinism.

With the coup come and gone, there is less reason to delay. "If you wait until you have an ideal investment environment, with clear laws and rules of the game, you're talking five or 10 years," said Jeffrey Hertzfeld, a Paris-based American lawyer who works with Western investors in the Soviet Union. "But if you wait five years, you might find that a lot of the most attractive partners have already made commitments to other companies."

Western executives making first visits to Moscow may be shocked by

See INVEST, Page 10

London Stocks Surge On Conservative Gain

Reuters

LONDON — London stocks leaped to a record close on Monday, boosted by an opinion poll suggesting the Conservative Party will hold an early general election and win a fourth consecutive term.

The Financial Times-Stock Exchange index of 100 leading shares jumped 33.9 points, to 2,679.6. It was sparked by a surge in the futures that spilled over into the cash market, after a poll gave Prime Minister John Major's party a two-point lead over the Labor Party.

The City of London generally prefers the Conservatives, with their perceived probusiness policies, to Labor. The Conservatives, who must call an election by July, had trailed by an average of seven points in 13 of 14 other recent samples by various pollsters.

"Talk of the recession being nearly over, politics and a hint of takeover talk are all behind the market's drive upward today," said Bob Semple, equity strategist at County NatWest.

The poll also helped the pound rise against the dollar, traders said. The pound closed at $1.6855, up from $1.6755 on Friday. Dollar trading was slow because of the Labor Day holiday in the United States and uncertainty over the health of the recovery there. The dollar ended at 1.7465 Deutsche marks and 136.80 yen in Europe, down from its closes Friday of 1.7530 DM and 136.95 yen.

The dollar was perfectly steady against the Swiss franc, at 1.5305, and lost a little against the French franc, to 5.9325 from 5.9450.

CURRENCY RATES

Cross Rates

Sept. 2

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.968	3.3135	1.1264	0.3316	0.1507 *	—	5.475 *	1.284	1.4380 *	1.7245	1.81 *
Brussels	34.8075	60.44	20.575	6.0405	2.7504 *	18.2645	—	23.475	25.614	31.535	33.093 *
Frankfurt	1.7453	2.94	—	0.2945	0.1341 *	88.80	4.862 *	1.1405	1.2745 *	1.529	1.607 *
London (a)	1.6855	—	2.9418	9.9963	2,197.00	3.3175	60.59	2.5815	230.525	1.9226	183.85
Madrid	108.675	183.03	62.225	18.328	8.388 *	55.258	3.0253	71.029	79.429 *	95.22	—
Milan	1,303.85	2,194.85	746.35	219.75	—	662.79	36.283	851.40	9.528	1,141.48	11.993
New York						Closed					
Paris	5.978	9.9075	3.2058	—	0.4551 *	3.0151	0.1651	3.8732	4.3346 *	5.392	5.457 *
Tokyo	136.80	229.76	78.38	23.06	0.105	69.52	3.8874	89.56	—	119.89	1.259
Toronto						Closed					
Zurich	1.5325	2.5807	0.8775	0.2580	0.1175 *	0.7789	4.2659 *	—	1.1203 *	1.3401	1.4085 *
1 ECU	1.1764	0.6985	2.0541	6.9752	1,533.25	2.3135	42.2574	1.7998	160.948	1.3436	127.84
1 SDR	1.377	0.7925	2.3274	7.8000	1,738.31	2.6241	47.8023	2.1056	183.367	1.5268	145.834

Closings in Amsterdam, London and Zurich, fixings in other centers.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Aug. 30

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9960.0	Greek drac.	192.35	Mex. peso	3047.01	S. Afr. rand	2.885
Austral. $	1.2755	Hong Kong $	7.7597	N. Zealand $	1.7391	Soviet ruble*	0.5961
Austr. schil.	12.24	Indian rupee	25.84	Norw. krone	6.8075	Swed. krona	6.325
Brazil cruz.	394.45	Indo. rupiah	1961.78	Phil. peso	26.46	Taiwan $	26.41
Chinese yuan*	5.3728	Irish £	0.6508	Port. escudo	148.90	Thai baht	25.71
Danish krone	6.726	Israeli shek.	2.2955	Saudi riyal	3.75	Turkish lira	4555.02
Egypt. pound	3.3078	Kuwaiti dinar	0.2908	Sing. $	1.723	UAE dirham	3.672
Fin. markka	4.234	Malay. ring.	2.785	S. Kor. won	733.70	Venez. boliv.	59.31

*New York rates unless marked * (local rate.)*

Forward Rates

Aug. 30

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6777	1.6703	1.6639	Canadian dollar	1.1448	1.1475	1.1501
Deutsche mark	1.7487	1.7541	1.7593	Japanese yen	136.91	137.09	137.23
Swiss franc	1.5254	1.5285	1.5315				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banco Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Sept. 2

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	5½-5⅝	9 3/16-9 5/16	8-8⅛	10 13/16-10 15/16	9 1/16-9¼	7 5/16-7 7/16	9⅝-9¾	7 ⅝
2 months	5½-5⅝	9⅛-9¼	7 15/16-8 1/16	10 11/16-10 13/16	9 5/16-9⅜	7 ¼-7 ⅜	9 11/16-9 13/16	7 ⅝
3 months	5½-5⅝	9⅛-9¼	7 15/16-8 1/16	10 11/16-10 13/16	9¼-9 ⅜	7⅛-7¼	9⅝-9¾	7 ⅝
6 months	5⅝-5¾	9 3/16-9 5/16	7⅞-8	10 9/16-10 11/16	9 ⅜-9½	6⅞-7	9 11/16-9 13/16	7⅝
1 year	5 13/16-6 1/16	9⅜-9½	7¾-7⅞	10 9/16-10 11/16	9 7/16-9⅝	6 13/16-6 15/16	9⅞-10	7½

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Sept. 2

United States	Close	Prev.
Discount rate	5½	5½
Prime rate	8½	8½
Federal funds	Clsd.	5⅝
Com. paper 90-179 days	—	5.60
3-month Treasury bills	—	5.32
6-month Treasury bills	—	5.33
1-year Treasury bills	—	5.40
30-year Treasury bond	—	8.06
2-month CD's	—	5¼
3-month CD's	—	5¼
Japan		
Discount rate	5½	5½
Call money	7 13/32	7 15/32
1-month interbank	7⅛	7 5/16
3-month interbank	7⅛	7 5/32
Germany		
Discount rate	7½	7½
Lombard rate	9¼	9¼
Call money	9.20	8.95
1-month interbank	9.15	9.15
3-month interbank	9¼	9¼
6-month interbank	9.40	9.40
Britain		
Bank base rate	11.00	11.00
Call money	11.00	11 1/16
3-month interbank	10 13/16	10 27/32
6-month interbank	10⅝	10 11/16
France		
Intervention rate	9.00	9.00
Call money	8 15/16	8 15/16
1-month interbank	9⅛	9⅛
3-month interbank	9 5/16	9 5/16
6-month interbank	9⅜	9⅜

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Sept. 2

1 month	5½ - 5⅝
2 months	5½ - 5⅝
3 months	5½ - 5⅝
6 months	5⅝ - 5¾
1 year	5 13/16 - 6 1/16

Source: Reuters.

U.S. Money Market Funds

Aug. 30

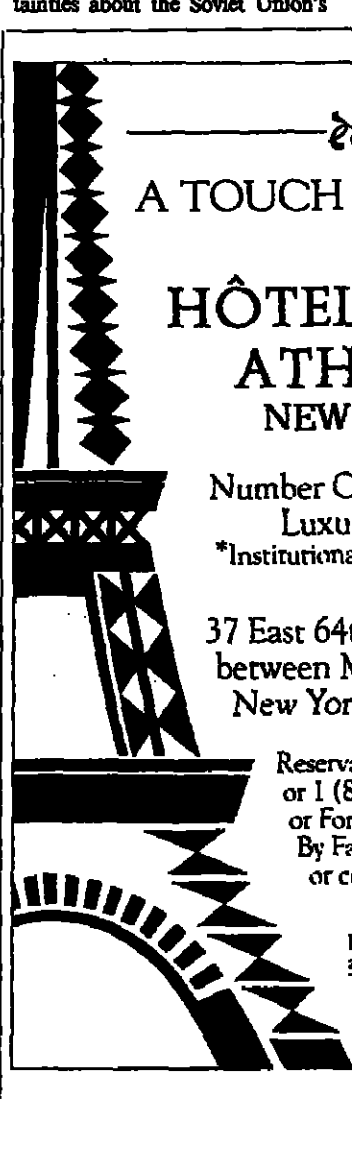
Merrill Lynch Ready Assets
30-day average yield: 5.43
Telerate Interest Rate Index: 5.579
Source: Merrill Lynch, Telerate.

GOLD

Sept. 2

	A.M.	P.M.	Ch'ge
Hong Kong	347.95	347.65	+ 0.20
Luxembourg		Closed	
Paris (12.5 kilo)	347.67	348.91	+ 0.84
Zurich	347.50	348.00	+ 0.25
London	347.40	347.95	+ 0.55
New York	—	Closed	

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.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Fare War Brews Over Atlantic

Reuters

LONDON — A full-blown air fare war appears to be imminent over the North Atlantic, aviation analysts said Monday.

U.S. and European airlines have been slashing autumn season fares since mid-August, but so far the cuts have been confined to economy class, the least profitable section of the aircraft.

Only if business and first class prices fall will a serious struggle develop, analysts said. But airlines, particularly in Europe, have been reluctant to enter such a fight, fearing the damage a fare war could do to their already hard-pressed financial health.

Christopher Will, European airlines analyst at Lehman Brothers, had "no doubt" that there would be "a substantial fare war" this fall. "But the fare war that matters is the one in business class," he added.

Fares began falling Aug. 12, when British Airways PLC announced price cuts of 15 percent for trans-Atlantic flights from Oct. 15 to Dec. 13.

Within days, Virgin Atlantic Airways replied with a 25 percent cut. This moved was soon followed by several U.S. airlines; Northwest Airlines Inc. and Delta Air Lines Inc. cut prices by up to 50 percent.

Competition has been increasing for two reasons: the arrival of larger and more efficient U.S. airlines on highly profitable North Atlantic routes, and the need to overcome a decline in traffic due to recession.

In March, the British government approved the entry into London's Heathrow airport of the world's two biggest carriers, AMR Corp.'s American Airlines and UAL Corp.'s United Airlines, in place of Pan Am Corp. and Trans World Airlines Inc. Other U.S. airlines have since followed, including Delta.

This move took place just after the start of recession in the United States and Britain, causing caused problems for airlines already established on trans-Atlantic routes. Coupled with the effect of the Gulf war, it helped cut passenger traffic by up to 30 percent.

The end of the war and an improvement in the economic climate increased traffic, but recovery has been uneven, with some airlines reporting that it remains 5 percent lower than a year ago.

But using cheaper fares to entice passengers means that airlines are forced to walk the fine line between the need to be competitive on price and the need to make profits. Most earnings are made on business and first class seats, while for now price competition is confined to the economy cabin.

Although British Airways and Virgin Atlantic Airways fired the opening shots in the fare war, few other major European airlines have joined the battle.

EUROPEAN FUTURES

Food

	Close		High	Low	Prev. Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Oct	199.40	199.60	200.00	199.00	198.60	200.00
Dec	181.80	190.40	186.00	185.00	181.20	190.40
Mar	184.60	185.40	185.00	185.00	183.60	185.40
May	184.60	187.80	185.00	185.00	182.00	184.80
Aug	182.60	193.80	N.T.	N.T.	186.00	188.80
Oct	176.00	200.00	N.T.	N.T.	186.00	192.80
Dec	156.00	200.00	N.T.	N.T.	177.00	192.80
Est. Sales 291.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Sep	661	663	667	655	656	657
Dec	703	704	708	695	698	700
Mar	742	743	744	735	735	737
May	761	762	762	755	756	757
Jul	781	782	753	773	776	777
Sep	801	802	802	795	795	797
Dec	823	825	825	820	817	821
Mar	848	849	849	845	845	846
May	864	865	865	865	855	864
Jul	881	882	883	879	871	882
Est. Sales 2,614.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Sep	519	520	526	516	524	525
Nov	545	546	554	544	553	554
Jan	569	570	575	566	575	576
Mar	586	587	591	586	590	592
Est. Sales 5,379.						

	High	Low	Close	Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons				
Oct	282.00	281.50	281.00	283.00	+ 2.70
Dec	279.00	N.T.	277.50	279.00	+ 2.50
Mar	N.T.	N.T.	275.00	273.00	+ 3.00
May	N.T.	N.T.	274.00	277.00	+ 3.00
Aug	N.T.	N.T.	274.00	277.00	+ 4.00
Oct	N.T.	N.T.	254.00	258.00	+ 3.50
Est. sales 605. Prev. sales 789. Open interest 13,050.					

Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1254.00	1255.00	1255.00	1256.00
Forward	1285.00	1286.00	1284.00	1285.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1358.00	1359.00	1356.50	1357.50
Forward	1366.00	1367.00	1366.00	1367.00
LEAD Sterling per metric ton				
Spot	316.00	317.00	319.00	320.00
Forward	328.50	329.00	331.00	332.00
NICKEL Dollars per metric ton				
Spot	7830.00	7840.00	7940.00	7950.00
Forward	7870.00	7875.00	7980.00	7990.00
TIN Dollars per metric ton				
Spot	5575.00	5855.00	5590.00	5595.00
Forward	5660.00	5670.00	5665.00	5670.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1023.00	1025.00	1022.00	1023.00
Forward	1040.00	1041.00	1038.00	1039.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Sep	89.37	89.33	89.36	+ 0.03
Dec	89.92	89.88	89.92	+ 0.06
Mar	90.09	90.05	90.08	+ 0.04
Jun	89.95	89.92	89.94	+ 0.03
Sep	89.86	89.82	89.85	+ 0.03
Dec	89.74	89.72	89.75	+ 0.03
Mar	89.60	89.60	89.62	+ 0.05
Jun	N.T.	N.T.	89.58	+ 0.04
Sep	N.T.	N.T.	89.56	+ 0.04
Dec	N.T.	N.T.	89.53	+ 0.02
Est. volume: 12,173. Open interest: 137,901.				
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Sep	94.30	94.27	94.29	— 0.01
Dec	94.00	93.98	93.99	— 0.02
Mar	94.01	94.00	94.01	— 0.02
Jun	93.73	93.72	93.72	— 0.01
Sep	93.28	93.28	93.29	— 0.02
Dec	N.T.	N.T.	92.69	— 0.03
Mar	N.T.	N.T.	92.56	— 0.03
Jun	N.T.	N.T.	92.28	— 0.03
Est. volume: 2,670. Open interest: 38,533.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Sep	90.76	90.71	90.74	+ 0.03
Dec	90.73	90.67	90.72	+ 0.03
Mar	90.92	90.90	90.92	+ 0.03
Jun	91.07	91.05	91.09	+ 0.03
Sep	N.T.	N.T.	91.21	+ 0.03
Dec	N.T.	N.T.	91.34	+ 0.03
Mar	N.T.	N.T.	91.35	Unch.
Jun	N.T.	N.T.	91.41	Unch.
Est. volume: 8,862. Open interest: 130,961.				
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Sep	94-11	93-30	94-11	+ 0-16
Dec	94-22	94-04	94-18	+ 0-18
Mar	N.T.	N.T.	94-24	+ 0-18
Est. volume: 14,572. Open interest: 54,773.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Sep	85.17	84.82	85.15	+ 0.29
Dec	85.40	85.03	85.37	+ 0.31
Mar	N.T.	N.T.	85.47	+ 0.31
Est. volume: 29,802. Open interest: 87,289.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Sep	199.50	198.00	199.50	198.75	+ 0.50
Oct	200.75	199.75	200.50	200.75	+ 0.75
Nov	202.50	201.75	202.50	202.50	+ 1.00
Dec	202.50	202.00	202.50	202.50	+ 1.00
Jan	200.75	200.00	200.50	200.25	+ 1.25
Feb	194.00	194.00	194.00	194.00	+ 1.50
Mar	187.25	187.25	187.25	186.50	+ 3.00
Apr	N.T.	N.T.	N.T.	181.00	+ 0.75
May	178.00	178.00	178.00	178.00	Unch.
Est. Sales 5,000. Prev. sales 11,290. Open interest 98,668					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Oct	20.70	20.60	20.62	20.63	— 0.07
Nov	20.62	20.54	20.62	20.62	+ 0.02
Dec	20.54	20.50	20.53	20.53	+ 0.03
Jan	20.36	20.33	20.33	20.33	+ 0.03
Feb	N.T.	N.T.	N.T.	20.23	+ 0.03
Mar	N.T.	N.T.	N.T.	20.05	+ 0.03
Apr	N.T.	N.T.	N.T.	20.00	+ 0.03
May	N.T.	N.T.	N.T.	19.95	+ 0.03
Est. Sales 3,800. Prev. sales 14,894. Open interest 14,365					

Stock Indexes

	High	Low	Close	Change
FTSE 100 (LIFFE) £25 per index point				
Sep	2706.0	2684.0	2703.0	+ 29.0
Dec	2752.0	2733.0	2749.5	+ 29.9
Mar	N.T.	N.T.	2783.0	+ 29.0
Est. volume: 4,530. Open interest: 38,402.				

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Sabena Set To Decide On Partner

By Jacques Neher
Special to the Herald Tribune

PARIS — Sabena SA, the parent of Belgium's unprofitable national airline, said on Monday it would decide on a partnership with either Air France or British Airways by the end of September.

A Sabena spokesman, Daniel Devinck, denied Belgian press reports that Sabena had picked the French carrier. He said that the airline was "still in discussions with both British Airways and Air France."

A British Airways spokesman said that his company was "awaiting a proposal that could be satisfactory in the level of investment and shareholding" in Sabena.

Air France, a spokeswoman said, has been pursuing talks on a commercial link but does not want to take a stake in Sabena, 52 percent owned by Belgium.

Sabena began talks with both companies last spring, with the aim of selling a minority stake of about 25 percent to 49 percent as part of a turnaround plan. That followed the collapse of a deal that would have given British Airways and KLM Royal Dutch Airlines each 20 percent of Sabena.

Mitsubishi Weighs Dutch Job Cuts

Compiled by Our Staff From Dispatches

TOKYO — The president of Mitsubishi Motors Corp. said Monday that the automaker needed to cut jobs at its new joint venture in the Netherlands because local carmakers are "not as efficient" as the Japanese.

The executive, Yuichi Nakamura, spoke two days after Mitsubishi signed an agreement to buy a one-third stake in Volvo Car BV from the Dutch government. The government and Volvo AB of Sweden now each hold a third of the shares, and the three will jointly operate the company's plant from December.

"Layoffs may be necessary to improve the company's production efficiency and keep a competitive edge," Mr. Nakamura said at a news conference in Tokyo. "Production by local car manufacturers is not as efficient as production by Japanese makers."

Mr. Nakamura said that an agreement on cutting the work force had already been reached with the local union but refused to disclose the number of jobs to be shed. The plant, at Born in the southern part of the Netherlands, employs almost 7,000 people.

The company, which will be called Netherlands Car BV, gives Mitsubishi its first factory in Europe. It will manufacture small cars to be marketed in Europe, Mr. Nakamura said.

Mitsubishi has said production will start at 100,000 vehicles a year and increase to 200,000 vehicles a year.

The local content of cars produced at the plant is to rise from an initial 70 percent to 80 percent in 1995, Mr. Nakamura said.

He added that the company was considering buying transmissions from Renault. The French state-owned automaker reportedly had reservations about the Mitsubishi deal with Volvo, with which Renault has a stock cross-holding.

The other French carmaker, Peugeot SA, has been vocal in its opposition to the Mitsubishi-Volvo arrangement. Peugeot's chairman, Jacques Calvet, the leading opponent of Japanese encroachment on the European auto market, said in June that such arrangements were "suicidal."

Mr. Nakamura also said Mitsubishi and Volvo may acquire the Dutch government's remaining one-third interest in the plant before the turn of the century.

(Reuters, AFP, UPI)

Lloyd's Backers Seen Backing Away

United Press International

LONDON — More than 3,500 of the individuals who use their wealth to back the Lloyd's of London insurance market were expected to resign before the end of the year, while up to 3,000 more could be forced out because they are no longer rich enough, Lloyd's sources said Monday.

One source said losses suffered by the organization's individual backers, known as the "names," could force about 6,000 of the 27,000 people who underwrite it to pull out.

Saturday was the official "resignation day," when backers who no longer want to be a "name" should notify the market. But a spokeswoman said it was too soon to tell how many had pulled out.

She added that the deadline was flexible and the number of investors leaving would not be clear before the end of the year, when the list of people taking part in the 1992 account becomes official.

Bonn Official Seeks Rule on Arab Contracts

Reuters

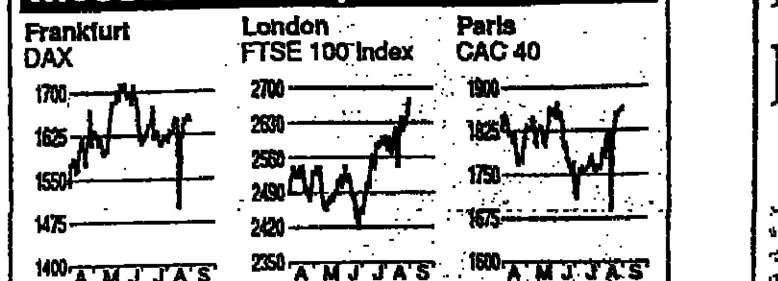
BONN — Economics Minister Jürgen Möllemann wants the government to prohibit contracts with Arab buyers that include a clause boycotting Israel, a spokeswoman for the ministry said Monday.

The spokeswoman said Mr. Möllemann would push for the rule to be adopted unilaterally by Germany after the European Community failed to agree on such a move.

Many Arab nations stipulate that a clause boycotting Israel be written into contracts with Western companies.

The German exporters association has said that such a ban could be acceptable only if introduced throughout the EC.

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	91.60	91.20	+0.44
Brussels	Stock Index	5,667.85	5,640.68	+0.48
Frankfurt	DAX	1,650.46	1,650.50	-0.00
Frankfurt	FAZ	687.94	686.26	+0.24
Helsinki	HEX	967.90	975.80	-0.81
London	Financial Times 30	2,108.50	2,075.20	+1.60
London	FTSE 100	2,679.60	2,645.70	+1.28
Madrid	General Index	274.80	273.17	+0.60
Milan	MIB	1,077.00	1,079.00	-0.19
Paris	CAC 40	1,863.52	1,864.26	-0.04
Stockholm	Affarsvarlden	1,095.20	1,095.60	-0.04
Vienna	Stock Index	523.12	521.89	+0.24
Zurich	SBS	N.Q.	633.30	-

Sources: Reuters, AFP International Herald Tribune

INVEST: *Soviet Market Beckons*

(Continued from first finance page)

the difficulties of living and doing business there. The telecommunications system is laughable; apartments and office space are hard to get and prohibitively priced.

With the nation's political framework changing by the minute, it is harder than ever to know which branch of government owns what and which level one must address to get joint ventures approved. For instance, the American Trade Consortium, a group that includes RJR Nabisco Inc., Johnson & Johnson and Archer-Daniels-Midland Co., has worked closely with the central government on forming joint ventures.

But with the Kremlin's power disintegrating, the consortium may have to negotiate its deals all over again with individual republics.

"It might be difficult today or this week to do things, so you have to let the dust settle a little bit," said James H. Giffen, president of the consortium. "Provided certain things happen, there will be substantial opportunities for Western investors."

For Mr. Giffen, those things include having at least Russia and a few other republics hang together in a coalition, naming qualified people to replace the ousted communists, and replacing the "endless debate" about economic reform with "specific action."

What will also give Western investors a bumpy ride is the dire state of the Soviet economy. In addition to the worthless ruble, industrial output is expected to plunge 30 percent this year.

The Soviet Union's new rush toward capitalism, after years of Mr. Gorbachev's waffling, will have huge ramifications for the world's economy.

It will open a consumer market of 280 million people, equal to the United States and Canada combined. That is a lot of teeth, one Colgate-Palmolive Co. executive said, explaining his company's plans to open a toothpaste factory in Kiev.

ADVERTISEMENT

INTERNATIONAL FUNDS

Sept. 2, 1991

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: d - daily; w - weekly; b - bi-monthly; r - regularly; t - twice weekly; m - monthly

ABACUS FUNDS
w Abacus Fund Ltd $ 6.45
b Abacus Guart.Fd. Mar 94 $ 8.93
b Abacus Guart.Fd. July 95 $ 9.54
ABC INVESTMENT & SERVICES CO (E.C.)
m ABC Futures Fund Ltd $ 100.54
ABN BANK I.D.R., P.O. Box 449, Amsterdam
w ABN-Aandelenfonds Fl 81.71
w ABN-Beleggingsfds Ned. Fl 41.46
w Aldollar $ 24.60
w Alrenta Fl 184.90
w America-Fund $ 191.95
w Asian Tigers Fund $ 31.07
w Columbia Securities Fl 130.16
w LDC Risk Inv. Fund $ 1306.18
w Trans Europe Fund $ 41.46
w Trans Europe Fund Fl Fl 81.44
AIG FUND MANAGEMENT Ltd
b AIG Amer. Eq. Trust $ 26.7697
b AIG Japan Fund $ 96.1806
b AIG South East Asia Fd $ 99.8241
d High Life Fund $ 10.85
d UBZ Euro Optimizer Ecu 10.74
d UBZ Liquidity Fund $ $ 102.6967
d UBZ Liquidity Fund DM DM 103.4783
d UBZ Liquidity Fund Ecu Ecu 101.1837
d UBZ Liquidity Fund SF SF 103.5874
ALFRED BERG
d Alfred Berg Norden $ 138.34
Alfred Berg Sicav
d Global $ 135.16
d Germany $ 122.22
d Switzerland $ 90.82
d Netherlands $ 94.33
d North America $ 106.06
ALPHA ASSET MANAGEMENT Ltd
De Ruyterkade 62, Curacao NA 5999 617844
m Alpha Europe Fund Ecu 239.44
m Alpha Futures Fund Ltd $ 149.27
m Alpha Global Fund $ 666.47
m Alpha Hedge Fund $ 333.81
m Alpha Japan Spec. Hge Fd $ 251.93
m Alpha Neutral $ 100.49
m Alpha Pacific Fund Ltd $ 285.35
m Alpha Short Fund Ltd $ 96.65
m Alpha Spec. Situation Fd $ 319.67
m Alpha Tilidale Fund $ 129.26
m Curran-Alpha Hlth Care Fd $ 299.27
w Heisei Japan Fund Y 12989.00
m Nicholas-Applegate Aurelia $ 169.61
m Nicholas-Applegate Hge Fd $ 126.04
ARRAL ASSOCIATES Ltd
w Arral American Quant Fd $ 10.56
w Arral Asian Fund $ 150.84
w Arral Int'l Hedge Fund $ 107.79
BA GATEWAY FUND
w Germany Fixed Income DM 103.79
w Belgium Fixed Income BF 11045.00
w US Dollar Fixed Income $ 114.65
w Int'l Portfolio A $ 100.70
w Int'l Portfolio B Ecu 107.37
w Japan Equity Y 9765.00
w Pacific Equity $ 94.07
BANQUE BELGE ASSET MGMT FUND
Shore Distributor Guernsey 0481 726614
w Int'l Equity Fund (Sicav) $ 10.69
w Int'l Bond Fund (Sicav) $ 12.22
w Dollar Zone Bd Fd (Sicav) $ 10.53
w Sterling Equity Fd (Sicav) £ 1.03
w Sterling Bd Fd (Sicav) £ 1.14
BANQUE DE GESTION E. DE ROTHSCHILD
LUXEMBOURG S.A.
b Essor Fund LF 9620.00
b Government Secur. Fd $ 65.35
w Hispano Int'l Fund Ecu 11.49
w Leicom [illegible] 1909.05
b [illegible] 931.68
b [illegible] Cur. Gen. DM 151.69
b [illegible] Fixed Inc. DM 153.59
b [illegible] $ 531.97
b Prico Fund DM 43.51
w Rente Plus BF 4827.00
f Select Horizon FF FF 66792.54
b Star Convert Fd Fl Fl 11205.00
b Star Convert Fd US$ $ 105.10
d The European Japan Fund $ 9.06
BANQUE INDOSUEZ
w The Dragon Fund Sicav $ 99.88
m Galaxy Futures Fund Ltd $ 103.75
m Dual Futures Fd Cl A Units $ 110.09
m Dual Futures Fd Cl B Units $ 111.78
m Dual Futures Fd Cl C Units $ 104.35
m Dual Futures Fd Cl D Units $ 107.22
m Maxima Fut. Fd Ser. 1 Cl. A $ 95.09
m Maxima Fut. Fd Ser. 1 Cl. B $ 99.36
w IPNA-3 $ 530.00
w Asian Growth Fund $ 13.46
w ISA Japan Reg. Gr. Fund Y 924.00
w Pacific Gold $ 11.27
w Asian Income Fund $ 11.71
w Himalayan Fund $ 10.93
w Manila Fund $ 8.75
w Malacca Fund $ 12.16
w The Siam Fund $ 20.55
d Indosuez Hong Kong Fund $ 20.920
w Oriental Venture Trust $ 41.685
w North American Fund $ 36.720
w Singap & Malay Trust $ 12.550
w Pacific Trust HK$ 28.420
w Tasman Fund $ 4.335
w Japan Fund $ 13.160
w Managed Trust $ 18.415
d Japan Warrant Fund $ 1.76
d Worldwide Growth Fund $ 9.73
BANQUE PRIVEE E. DE ROTHSCHILD
w Daiwa Capital Eq. Fund $ 916.40
w Daiwa LCF Rothschild $ 1034.33
w Ecu d'Or Ecu 73.03
b Pri-Tech $ 1163.99
b Source Sicav $ 12.80
BANQUE SCANDINAVE EN SUISSE-GENEVA
w Intelbond Chf SF 78.92
w Intelsec Chf SF 172.34
w Swissfund Chf SF 104.23
w Universal Eurosec Ecu Ecu 99.84
w Universal Finasec Global FM 115.84
w Universal Intelbond $ A $ 13.95
w Universal Intelbond $ B $ 16.48
w Universal Intelbond FF A FF 107.47
w Universal Intelbond FF B FF 117.90
w Universal Intelsec $ A $ 14.09
w Universal Intelsec $ B $ 14.25
BEARBULL
w BB Forex Ltd $ 1097.10
w BB Futures Ltd $ 1032.34
w BB Global BEF BF 880.80
w BB Global Ltd CHF SF 8.39
w BB Global Ltd FRF FF 90.82
BNP INTERFUNDS
BNP LUXEMBOURG
w Interbond Fund $ 226.97
w Interbelgian BF 57714.00
w Interecu Fund A Ecu 283.57
w Interecu Fund B Ecu 1093.39
INTER CASH
f France Capital FF 13214.02
f France Monetaire FF 11937.84
f France Securite FF 13966.95
f Inter Cash DM DM 2327.72
f Inter Cash Ecu Ecu 1548.72
f Inter Cash FRF FF 16212.32
f Inter Cash GBP £ 1222.69
f Inter Cash US$ $ 1142.99
f Inter Cash Yen Y 154414.00
INTER OPTIMUM
w BEF/LUF BF 79717.00
w Multidevises DM DM 2308.73
w US$ $ 1107.86
w FRF FF 11758.87
INTER STRATEGIE
w France FF 10080.00
w Europe du Nord £ 1877.23
w Europe du Centre DM 2126.93
w Europe du Sud Ecu 1013.20
w Japon Y 128584.00
w Amerique du Nord $ 1191.07
w Sud-Est Asiatique $ 852.85
BNP JERSEY
INTER CURRENCY
w DM DM 35.4999
w GBP £ 13.9637
w US$ $ 12.4976
INTER EQUITY
w Australia Class $ 10.19
w European Class $ 9.55
w French Offer $ 16.39
w North American Offer $ 12.91
w Pacific Offer $ 17.30
BROADGATE INTERNATIONAL FUND
d $ Money Market $ 14.64
d Non-$ Money Market DM 35.53
d $ Bond $ 15.27
d Non-$ Bond DM 34.18
d European Equities $ 9.82
d Global Equity $ 17.58
d Global Bond $ 15.73
d Global Bond & Equity $ 15.41
d Pacific Equities $ 10.54
d Prec. Mets / Min. Secs $ 5.22
CAISSE CENTRALE DES BANQUES POP.
w Fructilux Actions Euro Ecu 1216.47
w Fructilux Actions Fses FF 7168.96
d Fructilux Court Terme FF 6845.51
d Fructilux Oblig. Euro Ecu 1249.54
d Fructilux Oblig. Fses FF 6754.89
CALLANDER
w Callander Emer. Growth $ 140.68
w Callander F-Asset $ 99.30
w Callander F-Austria AS 1376.11
w Callander F-Spanish Pts 8557.00
w Callander Swiss Growth SF 132.61
CAPITAL INTERNATIONAL
w Capital Int'l Fund $ 95.26
w Capital Italia SA $ 35.82
CDC INTERNATIONAL
w CFI Court Terme FF 141213.94
w CFI Long Terme FF 1237532.89
CIC GROUP
d Oblicic Court Terme FF 13677.91
d Oblicic Monetaire FF 13632.84
CITICORP INVESTMENT BANK (Lux)
POB 1373 Luxembourg Tel. 477 95 71
d Citinvest Guardian $ $ 1102.61
d Citinvest Guardian Euro Ecu 1176.67
d Citinvest Mngd Growth $ 1243.31
d Citinvest Mngd Grth Euro Ecu 1104.58
d Citinvest Selector $ 972.26
d Citicurrencies US$ $ 1494.46
d Citicurrencies Managed $ 129.77
d Citicurrencies STG £ 133.65
d Citicurrencies DEM DM 117.35
d Citicurrencies YEN Y 11281.00
d Citiport N.A. Equity $ 284.98
d Citiport Japan Equity Y 5551.00
d Citiport UK Equity £ 119.97
d Citiport IAPEC $ 140.31
d Citiport Cont. Euro. Equity Ecu 134.04
d Citiport Eamec $ 88.87
d Citiport German DM 82.58
d Citiport Swiss SF 91.85
d Citiport French Equity FF 1137.25
d Citiport N.A. $ Bond $ 132.02
d Citiport Euro Bond Ecu 119.79
d Citiport Pacific Bond Y 11713.00
CITITRUST
w US $ Equities $ 236.06228
w US $ Bonds $ 14.28471
w US $ Money Market $ 14.42225
w Citiland $ 994.91522
w Citiperformance Ptfl A $ 10.54290
w Citiperformance Ptfl B $ 11.36850
m The Good Earth Fund $ 13.23961
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27267
w Bond : Dollar Med. Term $ 10.69 *
w Bond : Ecu Multicurr. Ecu 10.43 *
w Equity : United Kingdom £ 8.24 *
CREDIT AGRICOLE : MOSAIS
d Actions Int'l Diversifiees FF 110.99
d Actions Nord-Americaines $ 19.75
d Actions Japonaises Y 1908.73
d Actions Anglaises £ 12.43
d Actions Allemandes DM 33.70
d Actions Francaises FF 111.00
d Actions Esp. & Port. Pta 2460.22
d Actions Italiennes Lit 27446.33
d Actions Bassin Med. Ecu 17.45
d Actions Bassin Pacifique $ 15.10
d Actions Europeennes Ecu 16.05
d Actions Agro-Aliment. FF 113.26
d Actions Sect. Comm. FF 104.25
d Oblig Int'l Diversifiees FF 114.77
d Oblig Nord-Americaines $ 16.39
d Oblig Japonaises Y 2085.07
d Oblig Anglaises £ 10.94
d Oblig Allemandes DM 31.94
d Oblig Francaises FF 116.18
d Oblig Esp. & Port. Pta 2258.99
d Oblig Italiennes Lit 27157.96
d Oblig Europeennes Ecu 17.39
d Oblig Haut Rendement FF 17.33
d Oblig Int'l Div Sensib Red FF 113.52
d Oblig Convert. Intern. FF 113.71
d Court Terme Ecu Ecu 17.50
d Court Terme US$ $ 16.18
d Court Terme FF FF 114.57
CREDIT COMMERCIAL de FRANCE
w CM Actibonds $ 37.18
w CM Global Growth $ 9.85
w Elysees Monetaire FF 71417.15
d Europe Prest. Fund A Ecu 9.59
d Europe Prest. Fund B Ecu 11.64
CREDIT SUISSE
d CSF Bonds SF 75.667
d Bond Valor Swf SF 96.018
d Bond Valor US-Dollar $ 119.852
d Bond Valor D-Mark DM 104.782
d Bond Valor Yen Y 9733.684
d Bond Valor £ Sterling £ 101.850
d Convert Valor Swf SF 141.060
d Convert Valor US-Dollar $ 191.900
d CSF Interfational SF 133.036
d Actions Suisses SF 559.050
d Europa-Valor SF 215.191
d Energie-Valor SF 153.620
d Canasec SF 542.811
d Ussec SF 771.517
d Pacific-Valor SF 134.614
d CS Gold Valor $ 105.272
d CS Tiger Fund $ 602.266
d CS Ecu Bond A Ecu 101.745
d CS Ecu Bond B Ecu 137.388
d CS Gulden Bond A Fl 95.991
d CS Gulden Bond B Fl 119.778
d CS Hispano Iberia Fd A Pta 23656.480
d CS Hispano Iberia Fd B Pta 24565.300
d CS Euro Finance Fd A DM 227.847
d CS Euro Finance Fd B DM 227.847
d CS Prime Bond A DM 91.397
d CS Prime Bond B DM 110.143
d CS Europa Bond A DM 258.515
d CS Europa Bond B DM 301.892
d CS Fixed I SF 7% 1/96 SF 105.151
d CS Fixed I DM 8% 1/96 DM 105.435
d CS Fixed I Ecu 8 3/4% 1/96 Ecu 104.713
d CS Euro Blue Chips A DM 249.473
d CS Euro Blue Chips B DM 253.814
d CS Short-T. Bond $ A $ 102.596
d CS Short-T. Bond $ B $ 135.967
d CS Short-T. Bond DM A DM 98.252
d CS Short-T. Bond DM B DM 123.083
d CS Money Market Fd $ $ 1635.655
d CS Money Market Fd DM DM 1429.285
d CS Money Market Fd £ £ 1734.757
d CS Money Market Fd Yen Y 131699.770
d CS Money Market Fd C$ C$ 1113.768
d CS Money Market Fd Ecu Ecu 1106.581
d CS Oeko-protec A DM 280.777
d CS North American Fd A/B $ 202.619
d CS UK Fund A/B £ 103.465
d CS France Fund A/B FF 1009.789
CSFB FUND MGMT Ltd (0481-713996)
PB122, St Peter Port, Guernsey
w Islamic Mgmt Fund Ltd $ 944.58
DIT INVESTMENT FFM
d Concentra + DM 46.08
d Int'l Rentenfond + DM 78.25
EBC TRUST CO. (Jersey) Ltd
1-3 Sale St, St Helier: 0534-36331
EBC AMRO TRADED CURRENCY FUND
d Capital $ 23.854
d Income $ 15.810
INTERNATIONAL INCOME FUND
d Long Term $ 35.0140
d Short Term B (Accum) $ 0.5687
d Short Term B (Distr) $ 0.4050
ECU FUTURES PLC (44 71 225 3811)
d Ecu Plc Omega Fund $ 1.25
d Ecu Plc Oil Fund $ 0.93
d Ecu Plc Royden Fund £ 1.15
EQUIFLEX LIMITED
w Europe A Fl 10.67
w North America A Fl 10.99
EURO PACIFIC ADVISERS Ltd
w Meteore Y 104895.00
w Pacific Horizon Invt. Fd $ 2063.71
FIDELITY INT'L INV. SERVICES (Lux)
d Balanced Pftl Hedged $ 11.42
d Balanced Pftl Unhedged $ 11.70
d Conv. Securities Pftl $ 8.46
d Discovery Fund $ 19.14
d Dollars Saving Trust $ 189.61
d Far East Fund $ 46.79
d Fid. Amer. Assets $ 162.83
m Fid. Amer. Values III Com $
m Fid. Amer. Values IV $ 118820.00
d Fid. Australia Fund $ 16.31
d Frontier Fund $ 29.87
d Global Ind Fund $ 15.67
d Global Selection Fund $ 13.20
d International Fund $ 15.50
d New Europe Fund $ 9.17
d Orient Fund $ 101.90
d Pacific Fund $ 310.88
d Special Growth Fund $ 33.88
d World Fund $ 78.03
FOKUS BANK A.S. 472 428 555
w Scanfonds Int'l Growth Fd $ 1.58
GAIA CURRENCY FUNDS
w Gaia Hedge I $ 108.35
w Gaia Hedge II $ 221.95
w Gaia Hedge III $ 41.53
w Gaia Swiss Franc Fd SF 92.81
m Gaia Guaranteed Cl I $ 74.33
m Gaia Guaranteed Cl II $ 77.99
GAM ANLAGEFONDS AG.
POB 164, 8034 Zurich Tel: 41-1-2514640
d GAM (CH) Mondial SF 1318.00
d GAM (CH) Pacific SF 1951.00
d GAM (CH) America SF 1821.00
d GAM (CH) Europe SF 76.00
GAM TRADITION ANGLEFONDS AG.
d GAM Tradition SF 910.00
GARTMORE FUND MANAGERS INT.
45, La Motte Street, Jersey 0534 27301
CAPITAL STRATEGY FD Ltd
d American Fund $ 1.773
d Canadian Fund C$ 0.8955
d British Fund £ 2.657
d European Fund DM 5.483
d Eastern European Fd DM 4.146
d Asia Pacific Fund $ 2.119
d Japan Fund Y 570.8
d Australasian Fund $ 0.8399
d Global Ressources Fund $ 0.7491
d Emerging Markets Fund $ 1.142
d International Growth $ 3.012
d Sterling Bond £ 1.086
d Ecu Bond Fund Ecu 0.9679
d International Bond $ 1.207
d Global Conv. Bond Fd $ 16.64
d US$ Deposit $ 1.025
d Sterling Deposit £ 1.022
d French Franc Deposit FF 10.42
d Swiss Franc Deposit SF 5.178
d DM Deposit DM 5.203
d Yen Deposit Y 517.5
d Austr. Dollar Deposit A$ 1.046
GARTMORE INDOSUEZ FUNDS 30/08/91
Tel: (352) 46 54 24 470
Fax: (352) 46 54 23
BOND PORTFOLIOS
d Deutsche Mark Bond DM 5.16
d Diverbond $ 2.57
d Dollar Bond $ 2.10
d European Bond Ecu 1.06
d French Franc Bond FF 10.09
d Global Bond $ 2.03
d Sterling Bond £ 1.00
EQUITY PORTFOLIOS
d Developing Markets $ 2.32
d Europe Ecu 1.12
d France FF 10.16
d Germany DM 4.88
d International $ 2.12
d Japan Y 259.00
d Natural Resources $ 2.11
d North America $ 2.37
d Pacific $ 2.25
d Singapore/Malaysia SG$ 5.10
d Switzerland SF 2.64
d United Kingdom £ 1.26
RESERVE FUNDS
d Deutsche Mark Reserve DM 5.20
d Dollar Reserve $ 2.05
d French Franc Reserve FF 10.41
d Sterling Reserve £ 1.06
d Yen Reserve Y 267.00
GEFINOR FUNDS
London: 071-4994171, Geneva: 41-22355530
w East Investment Fund $ 800.69
w Scottish World Fund £ 217.3943
w State St. American $ 296.18
GENERALE BANK
(See also Interselex Group)
d Rentinvest $ 27.86
d Capital Rentinvest $ 143.07
d Rentinbel Distribution LF 9634.00
d Rentinbel Capitalization LF 12211.00
GENESEE FUND Ltd
w (B) Genesee Short $ 75.84
w (C) Genesee Opportunity $ 117.05
w (E) Genesee Balanced $ 105.34
GLOBAL ASSET MANAGEMENT
11 Athol St, Douglas, I.of Man 44-624-626037
w GAM Arbitrage Inc. $ 258.57
w GAM America Inc. $ 280.13
w GAM Australia Inc. $ 131.87
w GAM ASEAN Inc. $ 180.81
w GAM Boston Inc. $ 327.15
w GAM Selection Inc. $ 415.57
w GAM European Inc. $ 89.76
w GAM Europe Fund $ 76.93
w GAM Franc-Val Inc. SF 191.55
w GAM France Inc. FF 1475.76
w GAM Global Fund $ 106.88
w GAM High Yield Inc. $ 103.77
w GAM Hong Kong Inc. $ 252.51
w GAM International Inc. $ 131.80
w GAM Japan Inc. $ 615.59
w GAM North America Fund $ 123.14
w GAM Money Mkts $ $ 101.10
w GAM Money Mkts Fd £ £ 101.99
w GAM Money Mkts Fd SF SF 101.34
w GAM Money Mkts Fd DM DM 101.47
w GAM Money Mkts Fd Yen Y 10105.00
w GAM Mlti-Mar Fd Inc Allocs $ 113.14
w GAM Mlti-Mar Fd IncGenEqs $ 113.95
w GAM Mlti-Mar Fd Trading $ 115.19
w GAM Mlti-Mar Deferred Cl $ 118.46
w GAM Pacific Basin Fund $ 128.68
w GAM Pacific Inc. $ 548.21
w GAM Restr. Fund Inc $ 142.61
w GAM Singap-Malay Inc $ 236.30
w GAM Swiss Fr Spec Bd Fd SF 97.51
w GAM Value Inc. $ 102.11
w GAM Worldwide Inc. $ 409.68
w GAM Tyche S.A. Class A $ 246.96
w GAM Univ. Spain Inc SF 108.38
w GAM Univ. D-Mark Acc DM 119.11
w GAM Univ. D-Mark Inc DM 116.43
w GAM Univ. Dollar Acc $ 108.48
w GAM Univ. Dollar Inc $ 106.31
w GAM U.S. Inc. $ 207.71
w GAM Whitehorn Fund Inc $ 161.83
w GAM UT Inc. $ 433.25
w GAM Bond Fd Inc. US Ord $ 119.37
w GAM Bond Fd Inc. US Spe. $ 147.28
w GAM Bond Fd Inc. SF SF 82.34
w GAM Bond Fd Inc. Yen Y 11940.00
w GAM Bond Fd Inc. DM DM 93.24
w GAM Bond Fd Inc £ £ 116.98
w GAM Sterling Spec. Bd Fd £ 115.90
w GSAM Composite Inc. $ 246.72
GT MANAGEMENT PLC (44 71 222 44 44)
d G.T. ASEAN Fund $ 42.67
d G.T. Asia Fund $ 18.31
d G.T. Australia Fund $ 25.31
d G.T. Berry Japan Fund $ 26.61
d G.T. Biotech/Health Fd $ 19.77
d G.T. Bond Fund $ 16.79
d G.T. Deutschland Fund $ 11.84
d G.T. Dollar Fund $ 22.18
w G.T. Emerging Mkts Fd $ 11.79
w G.T. Euro Small Co Fd $ 31.26
d G.T. Europe Fund $ 31.76
w G.T. Global Small Co Fd $ 16.41
d G.T. Hong Kong Fund $ 35.03
d G.T. Honshu Pathfinder $ 11.22
d G.T. Investment Fund $ 15.37
w G.T. Japan OTC Stocks Fd $ 11.51
w G.T. Japan Small Co Fd $ 15.11
w G.T. Korea Fund $ 6.48
w G.T. Latin America Fd $ 12.99
w G.T. Newly Ind Countr Fd $ 28.69
r G.T. Technology Fund $ 43.91
d G.T. UK Small Companies $ 6.82
w G.T. US Small Companies $ 17.43
HILL SAMUEL INVEST. MGMT. INTL S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
d Crossbow (For East) SF 15.15
d CSF (Balanced) SF 41.55
d European Equity Fund DM 18.80
d Int'l Bond Fund $ 13.07
d Int'l Currency US $ 27.98
d Int'l Currency US Mngd $ 29.78
d ITF Fd (Technology) $ 15.59
d O'seas Fd (N. America) $ 50.63
IAM, 2 Bd. Royal LUXEMBOURG
d IAM Flagship Fund Ecu 77.83
w IAM Bonds Fd-France A FF 654.95
w IAM Bonds Fd-Allem. B DM 221.30
w IAM Bonds Fd-Japon C Y 10928.00
w IAM Bonds Fd Div. I FF 504.60
w IAM Europe Luxe Ecu 89.36
w IAM Europe du Sud Ecu 85.49
INTERSELEX GROUP
d Int. America Sicav $ 18.89
d Int. Belgo Sicav BF 2769.00
d Int. Europa Sicav LF 6412.00
d Int. Pacific Sicav $ 90.89
d Int. World Distr. Sicav $ 94.55
INVESCO MIM INT'L, POB 271, Jersey
Tel: 44 534 73114
d Income Plus Fund $ 2.5050
d Maximum Income Fund £ 1.0380
d Dollar Mngd Curr $ 14.9100 *
d Dollar Mngd Pftl $ 2.2130
d Sterling Mngd Pftl £ 1.7480
d Pioneer Markets $ 3.2430
d UK Growth £ 1.2110
d Gold & Prec. Metals $ 0.8180
d Sterling Mngd Curr £ 17.8080
d Japan Dollar Perf. Fund $ 2.8600
d Jersey Gilt £ 0.1807 *
d Okasan Global Strat $ 17.0100
d Asia Super Growth Fund $ 12.8300
d Nippon Warrant Fund $ 5.5600
d Asia Tiger Warrant $ 1.5700
d European Warrant $ 2.2000
d Gtd. N.W. 1994 $ 8.1400
PREMIER SELECT FUNDS
d American Growth $ 5.2200
d American Enterprise $ 6.9400
d Asia Tiger Growth $ 5.3800
d Dollar Reserve $ 5.0700
d European Growth $ 4.6500
d European Enterprise $ 4.8100
d Global Emerging Markets $ 5.4700
d Global Growth $ 4.7600
d Nippon Enterprise $ 6.0200
d Nippon Growth $ 4.5500
d North American Warrant $ 6.4300
ITALFORTUNE INTL. FUNDS
w Class A (Aggr. Growth Ital.) $ 43.31
w Class B (Global Equity) $ 10.41
w Class C (Global Bond) $ 10.58
w Class D (Ecu Bond) Ecu 10.40
JARDINE FLEMING, GPO Box 11448 Hg Kg
d JF ASEAN Trust $ 20.89
d JF Far East Wrnt Tr. $ 8.33
d JF Glbl Conv. Tr. $ 11.06
d JF Hong Kong Trust $ 93.84
d JF Japan Sm. Co Tr. Y 57666.00
d JF Japan Trust Y 15698.00
d JF Malaysia Trust $ 8.85
d JF Pacific Inc. Tr. $ 78.78
d JF Thailand Trust $ 11.13
JOHN GOVETT MANT (I.O.M.) LTD
Tel: 44.624-62 94 28
w Govett Man. Futures £ 13.95
w Govett $ Gear. Curr. $ 13.97
JULIUS BAER GROUP
d Baerbond SF 927.00
d Conbar SF 1675.00
d D-Mark Baer Bond Fund DM 1818.00
d Dollar Baer Bond Fund $ 1181.00
d Emerging Europe Fund DM 111.60
d Equibaer America $ 2065.00
d Equibaer Europe SF 1541.00
d Europe Bond Fund Ecu 113.20
d Liquibaer $ 2053.00
d Multiadvisor Forex Fd $ 93787.00
d SFR-BAER SF 1005.00
d Stockbar SF 2112.00
d Swissbar SF 2165.00
KIDDER, PEABODY
b Chesapeake Fund Ltd $ 1544.68
b Int'l Guaranteed Fund $ 1043.27
b Stonehenge Ltd $ 1271.69
b The Gbl Asset Alloc Fd Ltd $ 918.98
b The Krieger Curr. Fd Ltd $ 935.00
KLEINWORT BENSON SELECT FUND
d British Fund Ecu 2.14
d Emerging Asia Fund Ecu 1.71
d European Fund Ecu 1.85
d International Ecu 1.84
d Japanese Fund Ecu 1.41
d Kansallis World Fund FM 11.29
d North American Fund Ecu 2.35
d Pacific Fund Ecu 1.75
d Sicav Dollar Bond $ 1.81
d Sicav Intnl Bond Ecu 1.94
d Sicav Sterling Bond £ 1.94
LATIN AMERICAN MANAGEMENT Co Ltd
Tel: London 071 628 1234
w Argentinian Invest Co Sicav $ 22.24
w Brazilian Invest Co Sicav $ 20.39
w Mexican Invest Co Sicav $ 24.70
LIPPO ASIA LIMITED
w Java Fund $ 6.50
LLOYDS BANK PLC, POB 438, Geneva 11
Deals 41-22-3073200/Inquir. 41-22-3073210
w Lloyds Int'l Dollar + $ 113.70
w Lloyds Int'l Europe + SF 188.80
w Lloyds Int'l Growth + SF 210.60
w Lloyds Int'l Income + SF 275.00
w Lloyds Int'l N. America + $ 193.65
w Lloyds Int'l Pacific + SF 163.80
MAGNUM FUTURES FUND Ltd
m Deutschemark Class DM 18.28
m Sterling Class £ 4.95
m US Dollar Class $ 8.33
MALABAR CAP MGMT (Bermuda) Ltd
m Malabar Int'l Fund $ 11.73
MAN INTERNATIONAL FUTURES
m Mint Limited - Ordinary $ 42.11
m Mint Limited - Income $ 13.95
m Mint Gtd Ltd - Spec Issue $ 22.20
m Mint Gtd Ltd - Nov 1992 $ 20.27
m Mint Gtd Ltd - Jan 1994 $ 16.45
m Mint Gtd Ltd - Dec 1994 $ 14.54
m Mint Gtd Ltd - Aug 1995 $ 11.87
m Ffme Mint Gtd Plc $ 111.46
m Mint Sp Res Ltd (BNP) $ 105.99
m Newcastle Guaranteed Ltd $ 11.42
m Alobat Mint Gtd. Fund Ltd $ 108.36
m Athena Diversified Fut $ 9.30
m Athena Guaranteed Fut $ 8.97
d Athena Guaranteed Curr $ 9.53
MERRILL LYNCH
d Dollar Assets Portfolio $ 7.00
d Iberia Portfolio $ 9.91
d Multi-Curr. Bond Pftl Cl A $ 17.37
d Multi-Curr. Bond Pftl Cl B $ 17.31
d USA Income Portfolio $ 9.63
d US Federal Securities Fd
d Category A $ 10.09
d Category B $ 10.45
d World Nat Res Pftl Sh A $ 11.42
d World Nat Res Pftl Sh B $ 11.24
MERRILL LYNCH MLT NAT'L INV PFL
GLOBAL CURRENCY BOND SERIES
d Australian Dollar Pftl
d Category A A$ 14.14
d Category B A$ 14.22
d Canadian Dollar Pftl
d Category A C$ 11.45
d Category B C$ 11.47
d Deutsche Mark Pftl
d Category A DM 19.68
d Category B DM 19.71
d Pound Sterling Pftl
d Category A £ 12.16
d Category B £ 12.17
d US Dollar Pftl
d Category A $ 11.92
d Category B $ 11.98
d Yen Portfolio
d Category A Y 1067.00
d Category B Y 1069.00
MERRILL LYNCH MLT NAT'L INV PFL
EQUITY CONVERTIBLE SERIES
BASIC VALUE PORTFOLIO
d Class A $ 11.39
d Class B $ 11.22
CONVERTIBLE SECURITIES PTFL
d Class A $ 11.91
d Class B $ 11.79
GLOBAL EQUITY PORTFOLIO
d Class A $ 9.18
d Class B $ 8.81
EURO EQUITY PORTFOLIO
d Class A $ 10.44
d Class B $ 10.34
MULTIMANAGER N.V.
w American Growth Fd $ 10.46
w European Curr. Bond Fd Ecu 10.36
w European Growth Fd Ecu 10.75
m Futures Fd $ 9.84
w Japanese Growth Fd Y 985.00
w Forex Fund $ 9.43
m Emerging Markets Fd $ 13.75
NIMARBEN
w Class A $ 229.46
NMB BANK, PO 1800, 1000 BV Amsterdam
w NMB Dutch Fund Fl 42.40
w NMB Euromix Growth Fd LF 2335.00
d NMB Real Estate Fund Fl 37.30
w The Brazil Fund $ 1.4734
NOMURA INTL. (HONG KONG) Ltd
d Nomura Jakarta Fund $ 7.64
NOMURA INVEST BANKING (M.E) E.C.
d Nomura Gulf Fund $ 8.03
OBLIFLEX LIMITED
w Multicurrency $ 25.32
w Dollar medium Term $ 19.50
w Dollar Long Term $ 16.52
w Japanese Yen Y 3797.00
w Pound Sterling £ 19.61
w Deutsche Mark DM 13.82
w Dutch Florin Fl 14.94
w HY Euro Currencies Ecu 11.98
w Swiss Franc SF 11.00
w US Dollar Short Term $ 11.29
w HY Euro Curr Divid Pay Ecu 10.49
w Swiss Multicurrency SF 13.18
w European Currency Ecu 14.81
w Belgian Franc BF 103.56
w Convertible $ 11.60
w French Franc FF 118.37
w Swiss Multi-Dividend SF 9.11
w Canadian Dollar C$ 10.43
w Dutch Florin Multi Fl 12.12
w Swiss Franc Divid Pay SF 10.26
OLYMPIA Capital Intl. BVI
c/o OCM, 11 Av. Friedland 75008 PARIS
Tel: 33-1-45539038 Fax: 33-1-42567009
w Finsbury Group $ 153.57
w Olympia Securite SF SF 146.10
w Olympia Securite US$ $ 97.34
w Winch. Capital $ 182.10
w Winch. Frontier $ 265.55
w Winch. Fut. Olympia Star $ 102.77 *
w Winch. Hldg Int'l Madison Ecu 1106.01
w Winch. Hldg Int'l Ser D Ecu 1294.13
w Winch. Hldg Int'l Ser F Ecu 1303.55
w Winch. Hldg US$ $ 16.71
w Winch. Reser. Multi. Gvbd $ 14.82
OPTIMA FUND MANAGEMENT
6 Front St, Hamilton, Bermuda (809 295-4000)
w Optima Fund $ 13.81
w Optima Futures Fund $ 9.90
w Optima Short Fund $ 9.70
PARIBAS-GROUP
d Cortexa International $ 716.13
d Europhenix Ecu 193.38
d Luxor $ 7.95
d Par US Treas. Bond Cl B $ 140.83
d Parinter Bond Fund $ 14.92
d Parinter Fund $ 219.76
w Parvest Obli-DM A DM 1201.07
w Parvest Obli-DM B DM 1439.14
w Parvest Obli-Dollar A $ 1142.46
w Parvest Obli-Dollar B $ 1470.43
w Parvest Obli-Franc A FF 1400.26
d Parvest Obli-Franc B FF 1517.46
w Parvest Obli-Gulden A Fl 961.98
w Parvest Obli-Gulden B Fl 1210.87
d Parvest Obli-Sterling £ 117.40
w Parvest Obli-Yen A Y 104492.00
w Parvest Obli-Yen B Y 127025.00
PERMAL GROUP
b Drakkar Growth $ 2289.35
b EuroMir (Ecu) Ltd Ecu 1286.67
b Media Ltd $ 873.42
b Nascal Ltd $ 1647.38
b Uadvke Ltd $ 274.99
b Value N.V. $ 2121.00
PICTET & CIE - GROUP
b Eur. Opportunity (Lux) Ecu 105.30
b Euroval (Lux) Ecu 170.53
b Global Value (Lux) Quant. Ecu 124.08
m Intl Small Cap (IOM) $ 307.20
d Pictet Valsuisse (CH) SF 439.25
PIERSON, HELDRING & PIERSON N.V.
Rokin 55, 1012kk, Amsterdam (20-5211188)
w Asia Pac. Growth Fd N.V. $ 29.86
w Asian Selection Fd N.V. Fl 54.97
w DP Amer. Growth Fd N.V. $ 33.66
w Environment Growth Fund Fl 53.59
w Eur. Growth Fund N.V. Fl 39.82
w Japan Diversified Fund $ 42.26
w Leveraged Cap Hold $ 419.25
w Tokyo Pac. Hold. N.V. $ 207.12
PRISM ASSET MANAGEMENT
(212) 332-1832 advisor to :
d Prism Fut. Fd (EFF) $ 299.17
d Conqueror $ 89.53
d PTJ $ 118.20
d Apex Fund Ltd $ 107.19
d Rainbow $ 120.63
d Emerald Futures Ltd $ 98.84
d Harmonic Futures Ltd $ 96.09
PUTNAM
d Emerging Hlth Sc. Trust $ 32.49517
d Putnam Em. Info. Sc. Trust $ 19.3188
d Putnam Glob. High Growth $ 13.77
d Putnam High Inc. GNMA Fd $ 9.42
d Putnam Int'l Fund $ 12.04
PYRFORD, SWITZ (038) 25 17 25
w Pyrford Australian A$ 99.25
w Pyrford Int'l SF 104.00
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
d Robeco Fl 102.30
d Rolinco Fl 101.30
d Rorento Fl 67.60
d Rodamco Fl 53.40
d RG America Fund Fl 103.20
d RG Europe Fund Fl 100.50
d RG Pacific Fund Fl 99.80
ROTHSCHILD AST. MGT.
w Tokyo Pacific Hldgs (Sea) $ 151.13
ROYAL B. CANADA, POB 246, GUERNSEY
w RBC British Fund Ltd + £ 5.246
w RBC Canadian Fd Ltd + C$ 13.82
w RBC European Fund + £ 11.68
w RBC Far East & Pac. Fd + $ 37.45
w RBC Int'l Bond Fund Ltd + $ 13.61
w RBC Int'l Capital Fund + $ 51.81 *
w RBC Mngd Currency Fd + $ 43.66
w RBC North America Fd + $ 15.99
SAFRA REPUBLIC HOLDING
w Republic (Gnsey) $ Inc Fd $ 9.94
w Republic GAM Fund $ 105.54
w Republic GAM Growth $ 99.64
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
w Equity Int'l Acc $ 13.82
w Equity Int'l Inc $ 11.92
w Equity Global $ 1.30
w Equity For East $ 2.18
w Equity Gold $ 8.68
w Equity Japan Y 115.00
w Equity Nordic $ 1.40
w Equity U.K. £ 1.33
w Equity Continental Europe $ 1.26
w Equity Mediterranean $ 0.98
w Equity North America $ 1.41
w Bond Int'l Acc $ 9.78
w Bond Int'l Inc $ 7.00
w High Income Acc $ 1.25
w High Income Inc $ 1.01
w Bond Sweden SKr 12.85
w Bond DEM DM 1.81
w Bond Dollar $ 1.15
w Multicurrency $ 1.27
w Enskilda Int'l Bond $ 104.63
SOCIETE GENERALE GROUP
d Asia Fund $ 371.07
d Btw Category A $ 15.17
d Btw Category B $ 32.86
SOGELUX FUND (SF)
w SF Bonds A U.S.A. $ 13.43
w SF Bonds B Germany DM 24.69
w SF Bonds C France FF 98.55
w SF Bonds D Switz SF 21.36
w SF Bonds E G.B. £ 9.70
w SF Bonds F Japan Y 1740.00
w SF Bonds G Europe Ecu 13.81
w SF Bonds H World Wide $ 13.74
w SF Bonds J Belgium BF 640.00
w SF Eq. K North America $ 14.24
w SF Eq. L W. Europe Ecu 13.43
w SF Eq. M Pacific Basin Y 1387.00
w SF Eq. N France FF 70.08
w SF Eq. P Growth Countries $ 12.88
w SF Eq. Q Gold Mines $ 18.41
w SF Eq. R World Wide $ 13.29
w SF Short Term S France FF 134.42
w SF Short Term T Eur. Ecu 13.22
SOGELUX INDEX FUND (SIF)
w S.I.F. France Capital FF 1045.95
w S.I.F. France Distrib FF 1045.95
w S.I.F. GB Capital £ 121.67
w S.I.F. GB Distrib £ 121.67
w S.I.F. Japan Capital Y 12066.00
w S.I.F. Japan Distrib Y 12066.00
w S.I.F. US Capital $ 181.40
w S.I.F. US Distrib $ 181.40
w S.I.F. World Capital $ 136.45
w S.I.F. World Distrib $ 136.45
SODITIC ASSET MANAGEMENT INC.
w SAM Diversified Inc $ 113.09
w SAM Strategy Inc $ 98.01
SVENSKA HANDELSBANKEN S.A.
146 Bd de la Petrusse, L-2330 Luxembourg
w Neptune Maritime Fund $ 7.94
b SHB Bond Fund $ 49.54
w Svenska Sel. Fd Amer Sh $ 13.37
w Svenska Sel. Fd Germany DM 9.25
d Svenska Sel. Fd Int'l Bd Sh $ 11.44
w Svenska Sel. Fd Int'l Sh $ 49.06
w Svenska Sel. Fd Japan Y 475.00
d Svenska Sel. Fd Nordic Sh $ 10.97
d Svenska Sel. Fd Pacif Sh $ 4.46
d Svenska Sel. Fd S/T Ass Sh $ 10.66
w Svenska Sel. Fd Swed Bds SKr 1083.70
SWISS BANK CORP. (Issue Prices)
d SBC 100 Index Fund SF 1143.00
d SBC Bond Portfolio - C$ C$ 100.91
d SBC Bond Portfolio - Ecu Ecu 100.73
d SBC Bond Portfolio - FF FF 503.78
d SBC DM Short A/B DM 1080.47
d SBC Euro Stock Ecu 164.00
d SBC MMF - £ £ 2325.88
d SBC MMF - C$ C$ 4052.36
d SBC MMF - DFl Fl 4081.81
d SBC MMF - Ecu Ecu 3022.80
d SBC MMF - FF FF 20292.07
d SBC MMF - Lit Lit 4064919.00
d SBC MMF - SF SF 5062.15
d SBC MMF - US - Dollar $ 6623.47
d SBC MMF - Yen Y 545001.00
d SBC Str Bond A SF 1082.56
d SBC Str Bond B SF 1126.32
d America Valor $ 313.15
d Anglo Valor £ 200.88
d Asia Portfolio $ 550.14
d Convert Bond Selection SF 96.68
d D-Mark Bond Selection DM 108.47
d Dollar Bond Selection $ 139.19
d Ecu Bond Selection Ecu 101.75
d Florin Bond Selection Fl 113.47
d France Valor FF 1740.05
d Germania Valor DM 461.81
d Gold Portfolio SF 325.03
d Iberia Valor Pta 48001.08
d Ital Valor Lit 370222.00
d Japan Valor Y 27665.00
d Sterling Bond Selection £ 109.57
d Sw. Foreign Bond Selection SF 102.21
d Swissvalor SF 371.25
d Universal Bond Selection SF 78.75
d Universal Fund SF 111.32
d Yen Bond Selection Y 10955.00
T. ROWE PRICE ASSOCIATES INC.
m T. Rowe Price Frontier Ltd $ 9.86
TEMPLETON W.WIDE INVESTMENTS
GROWTH PORTFOLIO
d Class A-1 $ 9.77
d Class A-2 $ 10.97
d Class A-3 $ 10.34
d Class B-1 $ 9.58
d Class B-2 $ 10.78
INCOME PORTFOLIO
d Class A $ 10.33
d Class B $ 10.27
TERMINVEST Tel : 40.70.92.89
m Dual Futures Fd Cl D Units $ 107.22
m Galaxy Futures Fund Ltd $ 103.75
THORNTON MANAGEMENT Ltd
d Pacif Invt Fd SA £ £ 9.15
d Pacif Invt Fd SA DM DM 26.90
d Pacif Invt Wrnt Fd SA £ £ 4.15
d Pacif Invt Wrnt Fd SA DM DM 12.20
d Eastern Crusader Fund $ 7.77
d Thornton Int'l Opp. Fd $ 1.61
d Thornton HK Gateway Fd $ 17.63
d Thornton Japan Fund Ltd $ 24.42
d Thor. Littl Dragons Fd Ltd $ 20.25
d Thornton Orient Inc Fd Ltd $ 21.40
d Thornton Phil. Redev. Fd $ 20.60
d Thornton Tiger Fd Ltd $ 29.76
NEW TIGER SEL. FUND
d Thailand $ 8.12
d Malaysia $ 8.72
d Indonesia $ 6.06
THORNTON TAIWAN FUND
d Equity Income $ 10.00
d Equity Growth $ 10.00
d Liquidity $ 10.00
UEBERSEEBANK Zurich
d B - Fund SF 1811.62
w E - Fund SF 552.71
d J - Fund SF 361.19
d M - Distribution SF 98.73
d M - Fund SF 1082.86
d UBZ Euro-Income Fund SF 18.08
UNION BANK OF SWITZERLAND
d Amca American Shares SF 45.25
d Bond-Invest SF 62.25
d Brit-Invest Shares SF 829.00
d D-Mark-Invest Bonds DM 190.98
d Dollar-Invest Bonds $ 118.51
d ESPAC Spanish Shares SF 204.50
d Eurit SF 347.00
d Fonsa Swiss Shares SF 210.00
d Francit Shares SF 284.00
d Germac Shares SF 236.80
d Globinvest Shares SF 116.50
d Gold Invest Shares SF 184.00
d Holland-Invest Shares SF 243.00
d Itac Shares SF 195.00
d Japan-Invest Shares SF 1240.00
d Sima (Stock price) SF 238.50
d Skandinavien-Invest SF 232.00
d UBS Money Mkt Invest $ 1055.52
d Yen-Invest Bonds Y 79962.00
UNIVERSAL GROUP OF FUNDS
d Universal Cdn. Equity C$ 10.12
d Universal Pacific C$ 8.63
d Universal American C$ 9.44
d Universal Cdn. Ressource C$ 4.22
d Universal Global C$ 6.00
d Canada Guar. Mortgage Fd C$ 15.11

Other Funds
r Actlcroissance FF 505.21
w Actifinance Int'l $ 1036.14
w Actifutures Ltd $ 960.01
w Actigestion FF 1189.09
w Activest Int'l FF 28.86
m Advanced Strategies $ 105.95
w Aquila International Fund $ 260.31
b Ariane $ 4176.10
d Asia Oceania Fund $ 9.16
m Associated Investors Inc. $ 806.97
b Atlantic Fund $ 73.02
r Australia Fund $ 18.16
w Balfour Maclaine Series 1 $ 917.45
w BDD Inv. Fund-Ecu Bd Ecu 5706.36
w BEM International $ 6.85
w Bondselex-Issue Pr. SF 107.05
m Cal Futures 1990 Fd Ltd $ 25.32
d CB German Index Fund DM 123.14
w CMI Investment Fund $ 1373.00
d Colbert Croissance FF 73.45
d Colbert Finances FF 139723.43
d Colbert Tresor FF 1238.75
w Convert. Fd Int'l A Certs $ 17.62
w Convert. Fd Int'l B Certs $ 61.09
w Cowen Enterprise Fd N.V. $ 1836.60
w Cumber Int'l N.V. $ 263.63
d D. Witter Wld Wide Ivt Tst $ 25.41
w D.G.C. $ 222.66
w Daiwa Japan Fund Y 4949.00
d Dreyfus America Fund $ 21.66
w Dumelux Amerique $ 1024.83
w Dumelux Asie Pacifique $ 1036.03
w Dumelux Bonds Plus $ 946.22
w Dumelux Europe Ecu 1070.02
w Dumelux France FF 6407.79
w Dumelux Opportunit $ 1036.03
m Dumenil Arbitrage Fd NV $ 789.42
w Eas Overseas Fund Ltd $ 1213.00
d Emi Belg. Ind. Plus A BF 8577.00
d Emi Belg. Ind. Plus B BF 8577.00
d Emi France Ind. Plus A FF 888.46
d Emi France Ind. Plus B FF 888.46
d Emi Germ. Ind. Plus A DM 90.16
d Emi Germ. Ind. Plus B DM 90.16
d Emi Spain Ind. Plus A Pta 9943.00
d Emi Spain Ind. Plus B Pta 9943.00
d Emi UK Index Plus A £ 107.67
d Emi UK Index Plus B £ 107.67
m Enigma Currency Fd $ 24.72
w Espir. Sto Inv M Ecu Bd Fd Ecu 102.55
w Espir. Sto Inv M Sth Eur Fds $ 9.17
w Esprit Sicav Ecu 1298.66
d Eurosud FF 1024.92
d Europe 1992 $ 9.78
d Europe Obligations Ecu 61.60
w F.I.T. Fund FF $ 122.89
w F.M.P. Portfolio $ 0.5409
w Fairfield Int'l Ltd $ 178.05
w Fairfield Sentry Ltd $ 231.10
w Fairfield Strat. Ltd $ 66.05
m Fatum Fund $ 762.55
w First Eagle Fund $ 39985.47
w First Ecu Ltd Ecu 90.85
m First Frontier Funds $ 68.34
w FL Trust Switzerland SF 96.85
w Fonditalia $ 78.84
w Fonselex Issue Pr. SF 151.30
d Force Cash DM Sicav DM 5349.36
d Force Cash Ecu Sicav Ecu 2739.94
d Forexfund Limited $ 8.68
w Formula Selection Fd SF 66.42
d Frankl-Trust Effekten Fd DM 162.18
d Frankl-Trust Interzins DM 48.69
m Gems Progressive Fd Ltd $ 1106.92
w George V Inv. Bond F. $ 21.62
m German Sel. Associates DM 1729.75
d Green Line France FF 647.27
m Guaranteed Capital Imm 94 LF 580684.00
w Hasenbichler Com AG $ 1353.00
w Hausmann Hldgs. N.V. $ 384.69
d Hentsch T.F. SF 10355.00
w Hestia Fund $ 145.66
w Horizon Fund FF 10831.18
w Ibex Holdings Ltd SF 192.48
w IFDC Japan Fund Y 26349.00
r ILA-IGB $ 1.35
r ILA-IGS $ 9.94
w Infinity Fund $ 1367.41
r Int'l Securities Fund Ecu 27.87
m Interfaca Fund Ltd $ 158.91
d Interfund SA $ 42.87
w Intermarket Fund $ 487.84
w Intersec SA $ 3490.00
d Investa DWS DM 74.90
d Investmentor Fund $ 107.33
m J Capel Guaranteed Fund $ 9.95
w Japan Pacific Fund $ 197.89
m Japan Selection Assets Y 8482.00
w Japan Selection Fund $ 227.41
d JJ Placement FF 15155.37
w JWH Worldwide Fund $ 8.29
d Kenmar Guaranteed $ [illegible]
w Kenmar Int'l - B $ 16082.00
d Kenmar L/C $ 7.66
w Key Hedge Fund Inc $ 113.29
d KML-II H. Yield $ 603.61
w Korea Growth Trust $ 33.19
w LACO International $ 9.87
w Leumi Vol. Francaises FF 1020.27
m London Portfolio G'td. I $ 86.95
m London Portfolio G'td. II $ 8.39
m London Portfolio Services $ 9.76
w Luxfund $ 185.89
m Lynx Sel. Holdings SF 123.58
w M I Multi-strategy $ 1084.29
w M.Kinsdon Offshore, N.V. $ 9.34
m Maritime Fund Int'l Ltd $ 854.19
w Mat Growth ESCF DM 19.38
w Mat Growth USCF $ 12.45
w Matterhorn Offshore Fd $ 9446.27
m Maverick Limited $ 252022.86
w MBE Japan Fund LF 2061.08
m MCM Int. Limited $ 138.89
d Mediolanum Selective Fd $ 34.237
w Moore Global Invts. Ltd $ 2148.41
d NCA Fund $ 18.06
d New Millennium Fut. Ltd $ 886.23
w Nippon Fund $ 109.80
d NM Inc. & Growth Fund $ 17.41
m NMT Asian Sel. Portfolio $ 198.14
m NMT Citadel Bond SF 121.74
m NMT Nostec Portfolio $ 140.75
d Nomura-Cap Int'l Eq Fd $ 14.15
w Novecrose Ecu 2864.64
m NSM Invest. Ltd. Sanso SH $ 10.22
m NSM Invest. Ltd. Tetryx SH SF 10.87
m NSP F.I.T. Ltd $ 10.46
m Oppenheimer U.S. Arb. $ 134.19
w Optimum Fund $ 1502.89
m Overlook Performance $ 1502.74
d Pacific Nies Fund $ 6.20
d PAM Futures Trad $ 256.51
m Pan European Futures Ltd $ 4888.35
m PAN International Ltd $ 107.7083
w Pancorri Inc. $ 157.81
m Paragon Fund Limited $ 10.27
w Plurigestion FF 97.85
w Plurivest International FF 189.96
d Precision Fund Ltd $ 77.83
d Premier Futures Ltd $ 1045.07
d Profirent S.A. DM 1118.51
w Prosp. I.H. Inc. P.F. $ 3.74
w Puget-Mohe Barclays Pac $ 162.91
w Pulsar LDC Debt Fd $ 128.7362
w Quantum Fund N.V. $ 17577.57
m Quark Int'l Trad Prog $ 9879.007
w Quasar Fund N.V. $ 113.71
d SAGA Court Terme FF 1276.60
d SAGA France FF 457.38
d SAGA Long T. Capital FF 1178.35
d SAGA Perspectives FF 1069.87
d SAGA Premiere FF 1260.45
w Sailor's Int'l Equity Ecu 1017.80
w Sailor's Int'l Fixed Ecu 1029.29
w Samurai Portfolio SF 277.60
d Sanyo Kie. Spain Fd $ 9.99
d Sarakreek Holding N.V. $ 16.90
d Saturn Fund $ 1079.39
d SCI / Tech. SA Luxembourg $ 17.86
m Scimitar Guar. Curr Fd $ 9.54
m Scimitar Guaranteed $ 8.32
w Securfund 2000 Ltd $ 5.25
m SLH Guar. F.F.I. $ 1148.67
w SP International SA $ 7108.03
d Strat. Int'l Gold Fund SA $ 6.96
m Sussex McGarr $ 1467.00
w Techno Growth fund SF 51.95
d Templeton Global Inc. $ 7.68
w The Jaguar Fund N.V. $ 293.75
d The Petrus Fund Ltd $ 1.07
w Therma M-M Futures $ 915.83
m TIIC (OTC) Jap. Fd Sicav $ 13.90
m Tokyo (OTC) Fund Sicav $ 9.66
w Transpacific Fund Y 22506.00
d Tudor B.V.I. Futures Ltd $ 8728.22
d Turquoise Fund $ 192.84
m Tweedy Browne (UK) n.v. $ 1405.83
w Tweedy Browne n.v. Cl A $ 2879.81
w Tweedy Browne n.v. Cl B $ 1349.94
d Uni Bond Fund Ecu 1756.29
r Uni Capital Fund Ecu 1249.02
d Unico Equity Fund DM 42.70
d Unico Inv. Fund DM 71.75
m Unifrad FF FF 11518.77
m Unifrad SF SF 1120.96
m Unifrad US$ $ 1118.96
d Univers Bonds DM 151.40
w Ursus Int'l Ltd $ 7647.00
w Vanderbilt Assets $ 16.77
m Victor Futures Fund $ 199.78
w Willer Asian Fund $ 10.28
w Willerbond Capital $ 13.09
d Win Global Fd Bd Pftl Ecu 106.98
d Win Global Fd Eq Pftl Ecu 109.78
d Win Global Fd Res. Pftl SF 206.36
d World Balanced Fund S.A. $ 12.27
w Worldwide Securities $ 42.36
w Worldwide Special $ 895.64
m Zweig Int'l Ltd S/3 $ 12768.00

For investment information read THE MONEY REPORT every Saturday in the IHT

A$ - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Y - Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; # - Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x-not registered with regulatory authority

For information on how to have your fund listed, fax Simon OSBORN on (33-1) 46 37 52 12.

Bank[illegible] Reach[illegible]

INDONES[illegible]

WORLD ST[illegible]

Banks and Manila Reach Debt Accord

Compiled by Our Staff From Dispatches

MANILA — The Philippines said on Monday that it had agreed with foreign banks on a new debt-reduction package that could provide $2.3 billion over six years in debt relief and fresh funding.

The central bank governor, Jose L. Cuisia, said the debt package would probably go ahead only if the Philippine Senate ratified a new agreement allowing U.S. forces to use Subic Bay Naval Base for 10 more years.

Mr. Cuisia termed the agreement in principle "a tremendous breakthrough in the Philippine debt situation" following negotiations in New York last week with the country's commercial creditors.

The aim is to reduce the Philippines medium- and long-term bank debt of $5.3 billion by $1.5 billion over six years.

The economy of the Philippines and its ability to pay its debt has become bogged down after a series of natural disasters and as a result of the sharp increase in oil prices during the Gulf crisis.

The Philippines retired $1.3 billion of its commercial debt through a buyback at a 50 percent discount in January 1990.

Under the new agreement, Manila will offer commercial creditors three options. The first involves lending new money over the next two years by buying newly issued Philippine bonds or joining a co-financing transaction with the Asian Development Bank.

The Philippine bonds are of 17 years maturity with a five-year grace period before payments begin, and they will pay interest at 13/16 point over the London interbank offered rate. The co-financing bonds are of 14 years maturity with three years grace, at 13/16 point over Libor.

The second option involves swapping existing loans for new Philippine bonds that will mature in 25 years and carry varying interest rates. The third offers to swap the debts for 15-year bonds with a seven-year grace period.

The agreement commits the United States, the International Monetary Fund, the World Bank and Japan to provide the Philippines with at least $640 million collateral for the bonds, Mr. Cuisia said.

Manila, he said, would try to obtain as much as $1 billion from these institutions and if successful would use the extra funds to buy back part of the country's $29 billion debt outright.

"If we obtain the ratification of the U.S. treaty" on Subic Bay, he said, "there is greater likelihood of support from the U.S. for this package. And certainly, the U.S. can play a very significant role because of its clout with the World Bank and the IMF."

He also said that the banks would not sign the new accord unless there was agreement over $250 million of debt paper for a mothballed nuclear plant.

The banks want the nuclear plant paper included in the debt that can be bought back under the agreement. However, some Philippines officials are opposed to this.

Manila has filed suit against Westinghouse in the United States, alleging faulty construction and overpricing. *(Reuters, AFP)*

Japan Cites 59 Cases Of Broker Payments

Compiled by Our Staff From Dispatches

TOKYO — A Finance Ministry official said Monday that brokerage firms compensated dozens of favored clients that had not suffered market losses, raising suspicions that a certain investment profit might have been illegally guaranteed.

Nobuhiko Matsuno, head of the Finance Ministry's Securities Bureau, said that in 59 cases, compensation was paid even though there had been no market losses.

He said the ministry was investigating whether the four largest brokers in Japan — Nomura Securities Co., Nikko Securities Co., Daiwa Securities Co. and Yamaichi Securities Co. — promised profits in advance, which would violate the Securities and Exchange Law.

Tokyo newspapers quoted Mr. Matsuno as saying that although the 59 cases had given the Securities Bureau the "impression" of some wrongdoing, it could not "immediately determine that those cases all involved profits promised in advance."

Mr. Matsuno made the disclosures before a special committee of parliament investigating the scandal, in which more than 20 Japanese brokerage houses made paybacks worth about $1.3 billion to about 600 favored clients.

Pressured by the Finance Ministry, 21 firms have provided reports of compensation that included paybacks only up to March 1990. Legislators have been pressing for the disclosure of compensation made after March 1990, when share prices on the Tokyo Stock Exchange took their biggest plunge.

Setsuya Tabuchi, the former Nomura chairman, told lawmakers Thursday that the world's largest brokerage firm compensated coveted clients with $201 million for stock market losses. Compensation for losses is not illegal in Japan unless promised beforehand, and Mr. Tabuchi stressed there had been no prior agreements.

Meanwhile, prosecutors arrested a fourth person in connection with the country's loan scandal and indicted the two central figures.

Nui Onoue, an Osaka restaurant owner, and Tomomi Maekawa, former branch officer of the Toyo Shinkin Bank, were indicted on charges of forgery and fraud, officials said.

Miss Onoue was arrested last month for using phony deposit slips forged by Mr. Maekawa as collateral to borrow 342 billion yen ($2.5 billion) from a dozen financial institutions. The prosecutors said Miss Onoue and Mr. Maekawa admitted all charges on the indictment.

Officials announced the arrest of Yoshiaki Ariki, an employee of National Lease Co., who is suspected of causing losses of $365 million by giving securities to Miss Onoue without reporting the transactions. Miss Onoue had used the securities to borrow from National Lease. *(AP, UPI)*

Indonesian Group Seeking BCCI Unit

By Laurence Zuckerman
International Herald Tribune

HONG KONG — An Indonesian-controlled bank in Hong Kong has a tentative agreement to buy the subsidiary here of the scandal-torn Bank of Credit & Commerce International, the subsidiary's liquidator said Monday.

Noel Gleeson, who was appointed by the colonial government in July to wind up BCCI's Hong Kong unit, said he had court approval of the sale agreement.

It gives Hongkong Chinese Bank, controlled by the Lippo group of companies based in Indonesia, exclusive rights to buy BCCI's Hong Kong unit for eight weeks. If a firm deal cannot be reached by then, the bank will be put into liquidation.

Mr. Gleeson stressed that a number of conditions would have to be satisfied before the sale could go through. These, he said, included Hongkong Chinese Bank's obtaining a guarantee against any hidden liabilities, and an agreement from depositors not to remove their funds from the new bank for a designated period after the sale.

Under the agreement, the assets of Bank of Credit & Commerce Hong Kong, as the subsidiary is formally known, and a related deposit-taking company called Bank of Credit & Commerce Finance International are to be acquired by a new company controlled by Hongkong Chinese Bank.

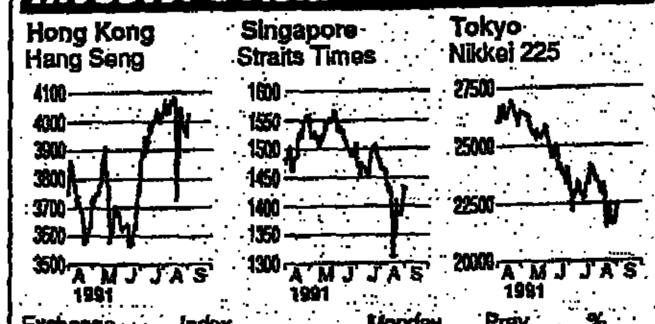
The closing of BCCI's Hong Kong unit has been an embarrassment to the colony's government. As regulators elsewhere moved against BCCI branches in early July, the government first assured depositors that the bank was sound, then shut its doors three days later and refused to offer a guarantee to prospective buyers.

Last month, however, the Abu Dhabi government, the majority shareholder of the parent BCCI, agreed in principle to issue a guarantee against unrecorded liabilities in the Hong Kong unit.

According to analysts, the sale will likely hinge on what investigators from Hongkong Chinese Bank find during their detailed examination of Bank of Credit & Commerce Hong Kong's books.

Hongkong Chinese Bank specializes in trade finance. Its parent, Lippo, is a collection of companies in Asia and the United States active in finance, real estate, insurance, manufacturing and information technology. Group sales are about $6 billion a year.

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	4,023.54	3,998.26	+0.63
Singapore	Straits Times	1,429.01	1,432.24	-0.23
Sydney	All Ordinaries	1,538.90	1,540.40	-0.10
Tokyo	Nikkei 225	22,469.01	22,335.87	+0.60
Kuala Lumpur	Composite	559.09	553.46	+1.02
Bangkok	SET	723.08	705.65	+2.47
Seoul	Composite Stock	675.12	683.11	-1.17
Taipei	Weighted Price	4,673.68	4,543.53	+2.86
Manila	Composite	1,015.27	1,017.55	-0.22
Jakarta	Stock Index	303.50	300.98	+0.84
New Zealand	NZSE-40	1,403.52	1,414.85	-0.80
Bombay	National Index	N.A.	855.36	-

Sources: Reuters, AFP — International Herald Tribune

Seoul Trade Deficit Rises

Compiled by Our Staff From Dispatches

SEOUL — South Korea's trade deficit rose to a record $8.77 billion in the first eight months of 1991, nearly three times larger than in the like period of last year, the government said Monday.

In last year's January-to-August period, South Korea ran a deficit of $2.99 billion on a customs-clearance basis.

Meanwhile, the Bank of Korea said the country's net foreign debt has surpassed $10 billion as a snowballing current account deficit forced more borrowing from abroad. The central bank said South Korea had $36.84 billion in foreign debt at the end of June, along with $26.22 billion in foreign assets. *(AP, AFP)*

Sanyo Taps Sun For Cooling Air

The Associated Press

TOKYO — Sanyo Electric Co. Ltd., a leader in solar-cell technology, said it had developed solar-powered air-conditioners that can cut electricity demands in hot weather and reduce dependence on fossil fuels.

The air-conditioner uses a 5-square-meter (6-square-yard) solar panel that generates up to 500 watts of electricity, Sanyo said.

INDONESIA: *Chinese Business Interests Face Pressure to Share Wealth*

(Continued from first finance page)

and wield dominant influence in many key sectors of the economy, said Christianto Wibisono, director of the Indonesia Business Data Center, a private consultancy.

The economic role of Indonesian Chinese also is sensitive because President Suharto, his relatives and other senior civilian and military officials in his government have worked closely with ethnic Chinese business leaders for many years to develop an increasingly diversified, high-growth economy to provide jobs for the more than two million young Indonesians entering the work force each year.

Along the way, the Suharto family and its small circle of Chinese business associates have prospered mightily. Many others in the ruling civilian-military elite have also done well financially from their links with Chinese businessmen.

Two of the biggest pribumi conglomerates — the Bimantara and Humpuss groups — were founded by sons of Mr. Suharto and have extensive connections with Chinese-controlled companies.

Since early 1990, the president has been urging Chinese business leaders to defuse growing popular criticism of their wealth and power by transferring up to 25 percent of their shares to employees and cooperatives, providing credits to small businesses, and extending commercial and training links with indigenous companies.

So far, more than 100 Chinese-controlled companies have transferred 1 percent of their stock at par value. Chinese business leaders said the market value of the shares, which are to be paid for from dividends and cannot be quickly sold, is close to $200 million.

Perhaps more important, a number of leading Chinese companies have over the past 18 months forged training, commercial and banking links with small and medium pribumi companies.

President Suharto has been urging Chinese business leaders to transfer up to 25 percent of their shares to employees and cooperatives to defuse the popular criticism of their wealth.

In August, the Salim group — the largest conglomerate in Indonesia and one of three Chinese-run groups with particularly close ties with the Suharto family — signed an agreement with the Association of Young Indonesian Businessmen to pump $50 million into five new manufacturing projects.

Anthony Salim, president of the group, said that members of the association would be made suppliers or contractors to the group provided they met the necessary competitive and quality standards.

In a speech to mark Indonesia's national day last month, Mr. Suharto warned that economic and social disparities in Indonesia could cause jealousy: "If we are not careful, this issue could be exploited, either consciously or unconsciously, which could lead in the direction of ethnic and racial clashes."

In handling the problem, the president seems to alternate between persuasion and threat. He warned in July that unless conglomerates stepped up sale of their shares at nominal cost to cooperatives "we will force them to do so by introducing a new ruling."

This kind of talk alarms Chinese businessmen. They said privately that if the 25 percent target is made mandatory there will be massive capital flight out of Indonesia.

Some analysts said Mr. Suharto — facing parliamentary elections in the spring and a presidential poll in 1993 — wanted to distance himself from the Chinese business community and deflect criticism from the business empire of his relatives by switching the focus of public criticism to the Chinese.

There is also a religious twist to the debate because most indigenous Indonesians profess allegiance to Islam while many Chinese are non-Muslims, mainly Buddhists, Taoists and Christians.

Abdurrahman Wahid, head of the Nadhatul Ulama, the largest Muslim organization in Indonesia, said that "basically the president wants to cleanse his name from close association with the Chinese."

He said that Mr. Suharto also "wants to enlarge his political base by including not only the armed forces and the bureaucracy, but the Islamic community as well."

To do this, Mr. Abdurrahman said, the president must show Muslims, who form more than 80 percent of the population, he is "serious about tackling the Chinese business community and helping Muslims catch up economically." He said rather than using compulsion, it would be "better to get the Chinese to help us to narrow the wealth gap and create a broader middle class."

Mr. Sofjan, who often acts as a spokesman for Chinese business groups that have been active in developing broader ties in the Indonesian community, said he was optimistic that with time and effort the gap could be bridged. But he added it was not only the Chinese who must play their part.

Hongkong Land To Sell Offices

Reuters

HONG KONG — Hongkong Land Property Ltd., a subsidiary of Hongkong Land Holdings Ltd., has agreed to sell three properties to Chinese Estates Holdings Ltd. for 1.37 billion Hong Kong dollars ($176.5 million).

Hongkong Land Property said the three were "noncore properties" consisting of a leasehold interest in retail and office space in Fleet House, and retail space in Excelsior Plaza and the Silvercord buildings totaling 46,000 square feet (4,280 square meters) and 164,000 sq feet, respectively.

The disposal of the Hong Kong properties is scheduled to be completed on Nov. 30.

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WORLD STOCK MARKETS

Agence France Presse Sept. 2

Amsterdam

	Close	Prev.
ABN Amro Hld	39.50	39.40
ACF Holding	36	35.80
Aegon	116.30	116.40
Ahold	80.50	80.90
Akzo	122	122.50
AMEV	50.40	50.20
A'Dam Rubber	3.35	3.35
Bols	41.30	41.10
Buhrmann Tett	45	44.80
Center Parcs	25	25
CSM	80.30	79.50
DAF	22	21.80
DSM	108.30	108
Elsevier	85.60	85.40
Fokker	31.50	31.20
Gist-Brocades	37.10	36.10
Heineken	157.30	151.70
Hoogovens	58.20	58.10
Hunter Douglas	77.30	77.30
IHC Caland	61.50	60
Inter Mueller	71	70.50
Int'l Nederland	48.20	47.70
KLM	30.30	30.40
KNP	48.30	49.10
Nedlloyd	57.30	56.50
Oce Grinten	57.20	57.40
Pakhoed	43.90	43.50
Philips	37	36.40
Robeco	102.20	101.90
Rodamco	53.30	53.70
Rolinco	101.30	100.90
Rorento	67.60	67.40
Royal Dutch	158.90	157
Unilever	140.10	138.90
Van Ommeren	45.10	44.80
VMF Stork	35	34.50
VNU	74.70	75
Wessanen	84	83.60
Wolters/Kluwer	56.90	57.20

CBS Trend Index : 91.60
Previous : 91.20

Brussels

	Close	Prev.
AG Fin	1770	1795
Arbed	4600	4620
Barco	1032	1032
Bekaert	9500	9490
Cockerill	174	175
Cobepa	4920	4950
Delhaize	7820	7810
Electrabel	4590	4590
GB-Inno-BM	1258	1238
GBL	3310	3320
Gevaert	6400	4520
Hoboken	10525	10975
Kredietbank	4060	4015
Petrofina	11580	11500
Royal Belge	4040	4010
Soc Gen Banque	5170	5160
Soc Gen Belgique	2410	2850
Sofina	11450	11425
Solvay	531	533
Tractebel	7900	7870
UCB	18000	17975
Powerfin	2355	2370

Current Stock Index : 5667.85
Previous : 5640.68

Frankfurt

	Close	Prev.
AEG	186.20	185
Allianz Hold	2045	2070
Altana	650	655.20
Asko	890	892.50
BASF	249.10	250.40
Bayer	282.50	283.50
Bay. Hypo bank	348	359.50
Bay Vereinsbk	407	407
BBC	800	800
BHF Bank	371	371
BMW	527	526
Commerzbank	253.50	251.80
Continental	215	215.30
Daimler Benz	757	756.30
Degussa	334	333.50
Dt Babcock	163.80	165
Deutsche Bank	650.20	651
Douglas	740	740
Dresdner Bank	351.80	351
Harpener	307	305
Henkel	571.50	571
Hochtief	1345	1358
Hoechst	239.50	240.20
Hoesch	290.80	292.70
Holzmann	1345	1350
Horten	200	199
IWKA	327.50	326.50
Kali Salz	176.50	176.50
Karstadt	628	627.50
Kaufhof	499	500
KHD	170	170.50
Kloeckner Werke	144.50	146.50
Krupp Stahl	145	146
Linde	820	823
Lufthansa	147.50	149
MAN	N.A.	372.50
Mannesmann	279	278.20
Metallgesell	494.80	494
Muench Rueck	2370	2320
Nixdorf	238	234.10
PKI	505.50	506.50
Porsche	N.A.	742
Preussag	341.10	340.10
PWA	240	246
RWE	378.60	380.60
Rheinmetall	312	308
Schering	823.20	822.80
SEL	370	371
Siemens	667.70	666
Thyssen	237	237
Varta	342	341
Veba	356.50	355.70
VEW	200	199.50
Viag	404	399
Volkswagen	387.40	383
Wella	677	680

DAX Index : 1458.46
Previous : 1455.38
FAZ Index : 587.94
Previous : 586.36

Helsinki

	Close	Prev.
Amer A	59	60
Enso-Gutzeit	19	19
K.O.P.	N.A.	27
Kymmene	64	63
Metra	69	69
Nokia	87.50	87
Pohjola	89	90
Repola	52.50	55
Stockmann	138	138

HEX Index : 947.90
Previous : 975.80

Hong Kong

	Close	Prev.
Bk East Asia	19.20	19.20
Cathay Pacific	9.80	9.65
Cavendish Int'l	3.48	3.45
Cheung Kong	21	20.90
China Light Pwr	21.30	21.10
Dairy Farm Int'l	10.20	10.30
Hang Lung Dev	8.15	8.05
Hang Seng Bank	32	32.25
Henderson Land	13.10	13
HK Air Eng.	18.30	18.40
HK China Gas	10.40	10.40
HK Electric	12.90	12.80
HK Land	8.95	8.85
HK Realty Trust	6.80	6.80
HK Shang Bank	37.25	37
HK Shang Hlts	4.58	4.63
HK Telecomm	7.85	7.85
HK Ferry	5.35	5.25
Hutch Whampoa	14.60	14.30
Hysan Dev	8.10	8.05
Jardine Math.	32	31.25
Jardine Str Hld	16.50	16.50
Kowloon Motor	7.95	7.90
Mandarin Orient	4.65	4.47
Miramar Hotel	6	6
New World Dev	11.30	11.20
SHK Props	22	21.80
Stelux	3.45	3.50
Swire Pac A	22.50	22.30
Tai Cheung Prps	4.73	4.65
TVE	1.65	1.65
Wharf Hold	10.20	10.20
Wing On Co	7.60	7.55
Winsor Ind.	9.65	9.65
World Int'l	5.45	5.40

Hang Seng Index : 4023.54
Previous : 3998.26

Johannesburg

	Close	Prev.
AECI	10.50	10.50
Altech	92	92
Anglo Amer	117.25	117.50
Barlows	47.85	47.80
Blyvoor	6.25	6.55
Buffels	35.75	35.75
De Beers	86.75	87.25
Driefontein	35.25	34.50
Gencor	12.40	12.30
GFSA	68.75	68.75
Harmony	17.50	17.50
Highveld Steel	15.75	15.75
Kloof	26.75	26
Nedbank Grp	14.25	14.40
Randfontein	12.75	12.50
Rusplat	61	61.75
SA Brews	57.75	57.70
St Helena	21.75	22.50
Sasol	14.30	14.30
Welkom	13.15	13.15
Western Deep	94	94

Composite Stock Index : 3337
Previous : 3359

London

	Close	Prev.
Abbey Nat'l	3.87	3.93
Allied Lyons	6.15	5.94
Arjo Wiggins	2.84	2.81
Argyll Group	3.85	3.06
ASDA Group	0.97	0.91
Ass Brit Foods	5.12	5.15
BAA	4.38	4.32
BAe	5.50	5.50
Bank Scotland	1.25	1.23
Barclays	4.75	4.68
Bass	9.95	9.85
BAT	6.98	6.90
BET	2.16	2.15
BICC	4.53	4.42
Blue Circle	2.68	2.68
BOC Group	6.21	6.86
Boots	4.40	4.29
BP	3.54	3.52
Brit Airways	1.81	1.79
Brit Gas	2.73	2.69
Brit Steel	1.31	1.28
Brit Telecom	3.99	3.93
BTR	4.43	5.50
Cable Wire	4.65	4.32
Cadbury Sch	4.12	4.15
Comm Union	5.26	5.22
Courtaulds	4.95	4.76
Enterprise Oil	5.21	5.21
Eurotunnel	4.90	4.85
Fisons	4.98	4.95
Forte	2.96	2.88
GEC	2.01	1.93
Gen'l Acc	5.68	3.22
Glaxo	13.75	13.60
Grand Met	8.38	8.27
GRE	1.94	1.89
Guinness	10.29	10.81
GUS A	14.45	13.95
Hanson	2.22	2.18
Hawker Sidd	6.88	6.05
Hillsdown	2.48	2.34
ICI	13.78	13.65
Kingfisher	5.79	2.61
Ladbroke	2.91	2.88
Land Sec	5.26	5.15
Lasmo	3.24	3.27
Legal Gen Grp	4.54	4.39
Lloyds Bank	3.84	3.83
Lonrho	2.40	2.40
Lucas Ind	1.60	1.54
Marks Sp	2.92	2.90
Maxwell	1.83	1.85
MEPC	4.84	4.72
Midland Bk	2.53	2.53
Nat'l Power	1.59	1.56
NatWest	3.45	5.72
Nthwst Water	3.81	3.63
Pearson	7.67	3.44
P & O	4.82	7.53
Pilkington	1.70	5.83
PowerGen	1.67	1.71
Prudential	2.62	2.57
Racal Elec	2.29	2.21
Rank Org	7.33	7.20
Reckitt Col	7.16	6.97
Redland	5.74	5.68
Reed Intl	4.76	4.68
Reuters	8.90	8.91
RMC Group	4.68	4.60
Rolls Royce	1.39	1.39
Rothmans	10.95	10.98
Royal Ins	4.02	4.10
Royal Scot	1.88	1.85
RTZ	6	5.93
Sainsbury	3.47	2.45
Scot Newcas	4.12	4.08
Sears Holds	0.87	0.82
Severn Trent	3.46	3.39
Shell	5.32	5.27
Smith Nephew	1.38	1.37
SmithKline B	8.08	7.94
Sun Alliance	3.76	3.68
Tarmac	2.36	2.40
Tate & Lyle	3.95	3.98
Tesco	2.72	2.87
Thorn EMI	8.12	8.06
Trafalgar Hse	2.54	2.55
TSB Group	1.57	1.57
Ultramar	2.79	2.83
Unilever	7.47	7.57
Utd Biscuits	4.87	4.88
War Loan 3½	35.94	35.88
Wellcome	7.58	7.46
Whitbread	4.97	4.94
Williams Hdgs	3.45	3.46
Willis Corroon	3.18	3.07

F.T. 30 Index : 2180.50
Previous : 2073.20
F.T.S.E. 100 Index : 2679.60
Previous : 2645.70

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3315	3295
Banco Central	4275	4250
Bco. Santander	5160	5160
Banesto	3850	3795
CEPSA	2265	2255
Dragados	2405	2375
Iberdrola I	694	698
Telefonica	975	982

S.E. General Index : 274.88
Previous : 273.17

Milan

	Close	Prev.
Alenia	2838	2827
Banca Comm	4852	4850
Bastogi	205	207
Benetton group	9850	9980
Ciga hotels	2414	2420
CIR	2560	2576
Cred Ital	2670	2650
Enichem	1475	1482
Eridania	7455	7440
Ferfin	2080	2078
Ferfin Risp	1330	1333
Fiat SPA	5630	5635
Generali	30075	30280
IFI	14725	14700
Italcem	22340	22380
Italgas	3218	3220
Italmobiliare	74080	73500
Mediobanca	15100	15250
Montedison	1345	1345
Olivetti	3400	3447
Pirelli	1985	1978
RAS	16930	16980
Rinascente	7415	7408
Saipem	1625	1614
SIP	1103	1106
SME	3228	3226
Snia	1329	1330
Standa	34340	34350
Stet	1928	1912
Toro Assi Risp	21400	21600

MIB Index : 1027
Previous : 1029

Paris

	Close	Prev.
Accor	797	797
Air Liquide	696	696
Alcatel Alsthom	589	591
Bancaire (Cie)	524	522
BIC	763	774
Bouygues	574	577
BSN-GD	924	926
Carrefour	2096	2099
C.C.F.	178.70	169.30
Cerus	129.40	128.50
Chargeurs	825	821
Club Med	444	444
Elf-Aquitaine	384.60	385
Gen. Eaux	2516	2514
Eurodisneyland	138.50	137.90
Hachette	201	199.10
Havas	530	534
Imetal	285	288.50
Lafarge Coppee	372.40	370
Legrand	3728	3680
Lyon. Eaux	547	549
Oreal (L')	624	634
L.V.M.H.	4404	4415
Matra	188.50	190
Merlin Gerin	530	530
Michelin B	120.50	121
Moulinex	158.50	158.70
Paribas	429.60	425.90
Pechiney Intl	171	170
Pernod-Ricard	1238	1231
Perrier	1349	1342
Peugeot	634	636
Printemps (Au)	868	870
Radiotechnique	510	506
Raff. St. Louis	1462	1438
Redoute (La)	4710	4740
Saint Gobain	479.10	473
Sanofi	948	947
S.E.B.	1730	1720
Ste Generale A	454.50	458
Suez	348.80	350
Thomson-CSF	140	139
Total	857	864
U.A.P.	540	538
Valeo	533	530

CAC 40 Index : 1863.52
Previous : 1864.26

Sao Paulo

Aug. 30

	Close	Prev.
Banco do Brasil	157	150
Bradesco	8.47	8.30
Brahma	50	46.20
Paranapanema	3.80	3.88
Petrobras	1400	1630
Vale Rio Doce	243	244
Varig	46	45

Bovespa Index : 28847
Previous : 28580

Singapore

	Close	Prev.
City Dev.	3.30	3.32
DBS	12.10	11.90
Fraser Neave	8.50	8.40
Golden Hope Pl	1.12	1.14
Haw Par	2.41	2.39
Hume Industries	3.14	3.06
Inchcape	4.06	4.12
Keppel	7.35	7.35
KL Kepong	2.35	2.35
Lum Chang	1.03	1.05
Malayan Banks	3.90	3.94
OCBC	8.40	8.45
OUB	4.58	4.62
OUE	6.40	6.30
Sembawang	7.20	7.05
Shangrila	5.45	5.45
Sime Darby	2.30	2.38
SIA	13.40	13.30
S'pore Land	5.30	5.40
S'pore Press	8.65	8.60
Sing Steamship	2.25	2.22
Straits Trading	2.66	2.68
UOB	6.20	6.30
UOL	1.46	1.51

Straits Times Ind. : 1429.01
Previous : 1432.24

Stockholm

	Close	Prev.
AGA	325	330
Asea	430	420
Astra -A	529	534
Atlas Copco	273	273
Electrolux B	286	283
Ericsson	180	182
Esselte-A	150	145
Handelsbanken	106	105
Norsk Hydro	195.50	195.50
Procordia AF	200	205
Providentia	105	107
Sandvik	355	355
SCA-A	112	114
S-E. Banken	68.50	70
Skandia F	179	175
Skanska	167	169
SKF	108	107
Stora	342	340
Trelleborg B	117	118
Volvo	353	354

Affaersvaerlden : 1095.20
Previous : 1095.68

Sydney

	Close	Prev.
ANZ	3.78	3.77
BHP	13.50	13.45
Boral	3.17	3.19
Bougainville	0.70	0.73
Coles Myer	10.70	10.60
Comalco	3.82	3.87
CRA	13.50	13.50
CSR	5.20	5.20
Dunlop	5.06	5.10
Fosters Brew	1.72	1.73
ICI Australia	4.05	4.09
Magellan	2.20	2.22
MIM	2.03	2.04
Nat Aust Bank	6.98	6.94
News Corp	9.82	9.78
Nine Network	0.58	0.58
N Broken Hill	2.47	2.46
Poseidon	1.14	1.18
QCT Resources	1.24	1.25
Santos	3.22	3.29
TNT	0.78	0.75
Western Mining	5.08	5.10
Westpac Banking	4.57	4.54
Woodside	3.35	3.30

All ordinaries index : 1538.90
Previous : 1540.40

Tokyo

	Close	Prev.
Akai Electr	1090	1070
Asahi Chemical	727	718
Asahi Glass	1180	1220
Bank of Tokyo	1380	1370
Bridgestone	960	947
Canon	1508	1490
Casio	1300	1300
C.Itoh	658	645
Dai Nippon Print	1390	1390
Daiwa House	1810	1800
Daiwa Securities	1230	1210
Fanuc	4370	4300
Fuji Bank	2540	2570
Fuji Photo	3370	3310
Fujitsu	970	965
Hitachi	1070	1060
Hitachi Cable	1020	1000
Honda	1490	1500
Ito Yokado	4470	4520
Japan Airlines	1200	1200
Kajima	1350	1340
Kansai Power	2870	2850
Kawasaki Steel	405	403
Kirin Brewery	1330	1320
Komatsu	777	762
Kubota	600	588
Kyocera	5320	5240
Matsu Elec Inds	1620	1640
Matsu Elec Wks	1350	1370
Mitsubishi Bk	2690	2690
Mitsubishi Kasei	519	510
Mitsubishi Elec	654	628
Mitsubishi Hev	721	699
Mitsubishi Corp	1310	1290
Mitsui and Co	789	764
Mitsukoshi	1110	1110
Mitsumi	1480	1480
NEC	1290	1260
NGK Insulators	993	1000
Nikko Securities	910	899
Nippon Kogaku	930	915
Nippon Oil	976	968
Nippon Steel	426	411
Nippon Yusen	601	589
Nissan	698	678
Nomura Sec	1690	1680
NTT (SF)	8854	8702
Olympus Optical	1248	1240
Pioneer	3360	3220
Ricoh	632	634
Sanyo Elec	528	529
Sharp	1490	1480
Shimazu	689	672
Shinetsu Chem	1580	1620
Sony	5730	5650
Sumitomo Bk	2200	2210
Sumitomo Chem	448	446
Sumi Marine	1008	1000
Sumitomo Metal	431	428
Taisei Corp	859	827
Taisho Marine	1000	1010
Takeda Chem	1450	1450
TDK	5600	5490
Teijin	520	498
Tokyo Marine	1310	1290
Tokyo Elec Pw	3680	3600
Toppan Printing	1260	1270
Toray Ind.	634	627
Toshiba	671	646
Toyota	1560	1510
Yamaichi Sec	876	880

Nikkei 225 : 22469
Previous : 22336
Topix Index : 1750
Previous : 1732

Zurich

	Close	Prev.
Adia Intl	2078	805
Alusuisse	1050	1056
Leu Holdings	1680	1680
Brown Boveri	4660	4680
Ciba Geigy	3190	3100
CS Holding	2070	2060
Elektrow	2740	2730
Fischer	1300	1308
Interdiscount	3850	3090
Jacobs Suchard	N.A.	8500
Jelmoli	1505	1520
Landis Gyr	1115	1125
Moevenpick	3950	3930
Nestle	8520	8530
Oerlikon-B	405	405
Pargesa Hld	1180	1165
Roche Holding B	5040	5060
Safra Republic	89	87
Sandoz	2280	2300
Schindler	4480	4550
Sulzer	470	478
Surveillance	7450	7440
Swissair	775	775
SBC	331	332
Swiss Reinsur	515	514
Swiss Volksbank	1315	1320
Union Bank	3620	3600
Winterthur	3790	3810
Zurich Ins	2020	N.A.

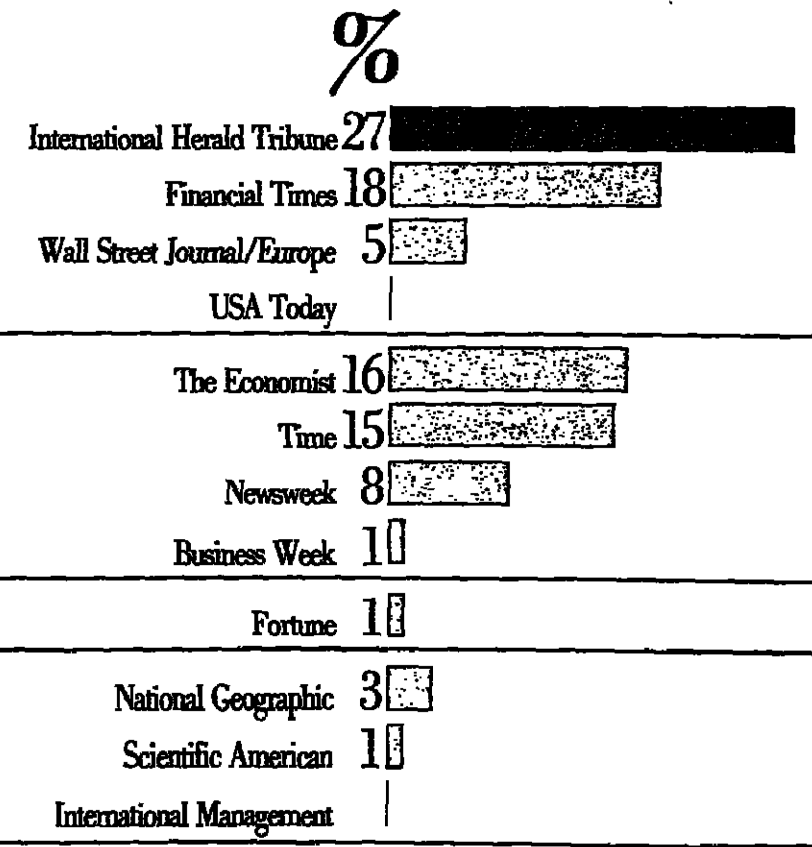
SBS Index : N.Q.
Previous : 633.30

Markets Closed

Financial markets in the United States and Canada were closed Monday for Labor Day.

REACHING THE EUROPEAN LEADERSHIP

Most reliable source of international news*



The eminent Continental Europeans listed in the International Who's Who choose the IHT over any other international publication as a reliable source of international news.

* Source: Who's Who in Europe Survey: 1990

Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

SPORTS

In Track, Soviets Underscore a World of Changes

By Michael Janofsky
New York Times Service

TOKYO — The World Track and Field Championships ended with another entertaining performance by U.S. athletes but, probably more important, with a vison of the future for the sport, as dictated by political events around the world.

The final accounting of medals and a closer examination of who won what and how during the meet revealed that certain bedrock changes are afoot, and the chief beneficiary, at least in the short run, is likely to be the United States. These were the principal developments:

● Though the Soviet Union continued to rank as a leading medal winner with the most over all, 28, and 9 golds to the Americans' 10, its future as a power appears tenuous under the weight of independence movements at home.

● The unification of West Germany and East Germany, once one of the big three with the United States and Soviet Union, has not created a team greater than the sum of the parts. The unified team, competing for the first time at a major outdoor event, won 5 gold medals and 17 over all, and only one woman, Katrin Krabbe, finished first in anything. (She won the 100- and 200-meter dashes.) Four years ago, at the world championships in Rome, East Germany led all nations with 10 golds, 6 by women, and 31 over all.

● Expanded out-of-competition drug-testing programs appear to be working, especially in the women's events and throwing events for men and women. In 19 women's events in these championships, the winning performance improved over 1987 in just five. In the four throwing events for men and three for women, disciplines that require the most strength, the only improvement over 1987 came in the men's javelin, which was largely because of development of a more efficient javelin.

The Soviet team's performance was all the more remarkable for the environment in which the athletes began competing. A coup had taken place back home, and there were concerns over whether the athletes could leave the country safely.

Yet they came and conquered, to some degree, improving their standing Sunday by winning the women's 4x400-meter relay and finishing second to Jamaica in the 4x100-meter relay.

Yet as Juan Antonio Samaranch, the president of the International Olympic Committee, predicted last week, this could well be the last time athletes from the 15 Soviet republics compete together. At week's end, the Soviet Olympic Committee said it would grant autonomy to Olympic committees from the three Baltic republics.

"The situation changes every day," Igor Ter-Ovanesyian, the president of the Soviet track and field federation, said Sunday. "I don't know what's going to happen."

While it is widely expected that the nucleus of the Soviet team will remain together for the Barcelona Olympics next summer, the future beyond that is less clear.

Already, major athletes are missing. Two of the Soviet Union's best discus throwers — Romas Ubartas, the 1988 Olympic silver medalist, and Vaclavas Kidikas — did not compete here because they are from Lithuania, which broke from the union in sports last year. In their absence, the medals went to athletes from Germany, the Netherlands and Hungary.

A splintered Soviet team might also separate champions like Sergei Bubka of the Ukraine republic, Aleksandr Potashov, the 50-kilometer walk gold medalist from Byelorussia, and Yuri Sedykh, the hammer throw champion from Russia.

Unification of the Germanys in 1989 brought together strong teams that promised to be stronger as one. It never happened. Here, there was ample evidence that the merger has been slow in working, even painful sometimes to watch.

In the women's 400-meter final on Sunday, a poor exchange between Sabine Richter, the only former West German of the four on the team, and Heike Drechsler, cost a better finish. The team was third, behind Jamaica and the Soviet Union.

"I am in Frankfurt, Heike trains in Jena and the other two are in Neubrandenburg," Richter said, referring to limitations on the team's preparations. Before unification, the East Germans trained where they were told, which, for relay purposes, was together.

The disjointedness showed up in general. East Germany won 10 golds, 7 silvers and 5 bronze in 1983 and 10, 11 and 10 four years later. This time, a combined German team won only 5, 4 and 8, although the East German influence was still evident in that 12 of the 15 individual medals and 4 of the 5 golds were won by former East Germans.

The combination of trends would seem to push the United States into a clear position of dominance at some point soon. But if the Americans can take advantage, it would only be through improvements in non-traditional areas, like throwing events and distance relays. Nine of the 10 U.S. gold medals came in sprints, hurdles and jumping events.

Drug testing also seems to be having an effect — positive, for those who cherish clean competition.

"In the past, the rumor mill was out of control," said Dave Rodda, the U.S. team's women's coach. "You always heard, 'What's this person using? What's that person using?' This time, you heard very little of that, and I think that's really been good for the sport."

Another trend was unmistakable: the continued improvement of runners from Africa. They had their best showing at the championships, especially in the men's six races from 800 meters to the marathon.

Africans won 5 of 6 gold medals, 5 of 6 silver and 13 of 18 over all. And for the first time in the world championships, African women won medals, a gold by Hassiba Boulmerka of Algeria in the 1,500 and a bronze by Susan Sirma of Kenya in the 3,000.

Altogether, athletes from seven African countries won medals, led by those from Kenya with 8, to rank fourth behind the Soviet Union, the United States and Germany.

Round One to Bills With More to Come

Compiled by Our Staff From Dispatches

The Miami Dolphins and Buffalo Bills have something special going, a top-this-if-you-can, in-your-gut brand of football that produces some of the National Football League's best action.

The latest edition, the season-opener for both teams, was another example of why these divisional rivals, who definitely meet again in the regular season, will likely do so in the playoffs, too.

Buffalo was scorched early Sunday by a balanced and well-executed Miami offensive attack but, in the end, it was the Bills that lighted fires.

Running back Thurman Thomas became the first Bill to gain 100 yards passing and 100 receiving in a game, quarterback Jim Kelly added his regular-season career best with 381 passing yards and the Bills doused each Miami threat to win, 35-31, before 80,252 in Buffalo.

Down by 24-21 after Dan Marino's five-yard scoring pass to Mark Clayton with 11 minutes, 18 seconds to play, the Bills got 14 straight points. The final score was Thomas's seven-yard run with 3:55 to play that made it 35-24. Marino's two-yard scoring pass to Mark Duper with 2:32 left wasn't enough.

Several Bills contributed to the show on offense as Buffalo finished with 583 yards, breaking a team mark set against Houston in 1964.

The Dolphins will have to wait until Week 12 for revenge. Buffalo travels to Miami on Nov. 17 for a Monday night game.

The biggest surprise of the first half — besides the Dolphins continually threatening to put the game out of reach — was that the Dolphins outrushed the Bills by 80 yards to 72.

This was a game of big plays then bigger plays. Miami scored the game's first 14 points, on Higgs's run and Marino's 43-yard scoring pass to Mark Clayton. Buffalo, operating out of the no-huddle offense that produced 245 first-half yards, answered with 8:45 left before the half on Andre Reed's 54-yard scoring catch.

Redskins 45, Lions 0: Darrell Green set up two touchdowns with pass interceptions and Brian Mitchell returned a punt 69 yards for a score in RFK Stadium. Mark Rypien passed for two touchdowns and Earnest Bynar scored one and threw a halfback pass to Ricky Sanders for another.

Steelers 26, Chargers 20: For the first time in three years, the Steelers got a touchdown pass in a season opener. Bubby Brister threw it and Gary Anderson kicked four field goals in Pittsburgh.

Patriots 16, Colts 7: In Indianapolis, Jason Staurovsky kicked three field goals and Tommy Hodson threw for a touchdown. The Patriots ended a 14-game losing streak dating to their last meeting with the Colts, a 16-14 victory.

Bears 10, Vikings 6: Jim Harbaugh passed for a touchdown and Kevin Butler kicked a field goal on an afternoon when the defenses held center stage in Chicago's home opener. The Bears made the Vikings settle for field goals of 26 and 24 yards by Fuad Reveiz.

Oilers 47, Raiders 17: Warren Moon passed for two touchdowns and ran for one and the Oilers set up three touchdowns with turnovers in the Astrodome. The Raiders had the ball for 77 seconds in the first period.

Cardinals 24, Rams 14: Tom Tupa ran for one touchdown and passed for another. The Rams turned the ball over six times in Anaheim Stadium.

Saints 27, Seahawks 24: Bobby Hebert, playing his first game after a one-year contract holdout, threw a 10-yard touchdown pass to Floyd Turner on fourth down with 1:11 to play in New Orleans.

Seattle quarterback Dave Krieg broke his right thumb. *(NYT, AP)*

NFL ROUNDUP

■ 2 Irish Starters to Play

Notre Dame's coach, Lou Holtz, said he will discipline quarterback Rick Mirer and linebacker Demetrius DuBose for breaking team rules, but will not dismiss or suspend them from the football team because of their weekend arrests.

"There's a strong possibility that both would start" Saturday in the seventh-ranked Irish's opener against Indiana at home, Holtz said Sunday in South Bend, Indiana.

Both were charged with public intoxication and disorderly conduct Friday after police were called to break up an off-campus party.

Notre Dame officials have quoted the players and witnesses to the incident as saying neither player was intoxicated or disorderly.

Driven to Drive: In France, a Woman Masters a Man's Sport

Carolyn Boniface: 'Other than driving, I don't care about cars.'

By Sandra Bailey
International Herald Tribune

PARIS — Even Carolyn Boniface is at a loss to explain it all logically, to say just how someone who headed off to college in the Midwest as an equestrian science major, who emerged doing sensible things like teaching horseback riding at Aldborough Hall Equestrian Center in England and studying Olympic dressage in Germany, settled on a career so close to the edge of mortality that she finds herself saying things like: "I've been in so many crashes, you get used to it and even in the process of an accident you are aware of everything that's happening."

Boniface, horse lover, former marketing assistant for Helena Rubinstein Cosmetics in Paris and magna cum lauda in international affairs at the American University of Paris in 1984, is an auto racer. This season, she is driving Alfa Romeo prototypes in Europe and is seventh overall in the women's division. She has also driven rallycross for BMW, winning the women's championship in the discipline in France in 1987, and rally and circuit racing, placing second overall in the women's French rally division in 1989.

But don't get her wrong, she's not an auto enthusiast.

"Other than driving, I don't care about cars," says Boniface, 29. "I love the sensation."

That's about as close to an explanation as Boniface can come. She can say why she isn't an equestrian (bad back) or in cosmetics marketing ("we'd spend an hour discussing box dimensions and I said this wasn't for me"). But for the racing, well, sometimes you just go with a feeling.

She remembers watching rally racing on television and being excited, then attending a road racing school in 1985 and discovering "I really liked it." Which was good timing because she had just looked around at her life and realized "I didn't know what the hell to do."

So she announced her decision to her father, Rudy, director of exports for Ford Motor Co. in Europe, and imagine his delight. "I wasn't for it," Rudy Boniface says from his office in London. More than that, says his daughter: "He didn't talk to me for a month. For him, it's dangerous and it's not a woman's world."

Without question, both are true. But being a rarity as been a help in seeking sponsors, and Boniface has not hesitated to play the cards, getting designer Penelope Zagoras to create a racing suit for her so she would not "look like a big German athlete" and because "image is important" to sponsors, from whom she will need more than $1 million next year.

But Boniface was not magna cum lauda for nothing and she stops and adds, "I find myself making so many compromises." Selling an image, and thus yourself as a package, "if I sit down and think about it, it doesn't really appeal to me, but it's a matter of survival."

She has more than survived in the European auto racing world. She took the course that piqued her interest in 1985, drove rally races in 1986, then switched to rallycross in '87 because "BMW was looking for a driver to win the feminine rallycross championship." That mission accomplished, she crossed over to circuit racing in '88 with Porsche, found herself facing former Formula One drivers and being told "the cars are too heavy, they're not for women" and felt the year was a success with a best showing of ninth place.

"The first year in a new specialty you usually don't do so well," said Xavier Tourliere, a Frenchman who has driven with Boniface for Alfa Romeo. "You have to adjust to the team, find sponsors, et cetera. It is very difficult to change."

Boniface knows that, but has a philosophy that guides her: "What makes you progress very fast is you put yourself in impossible situations. You do it, or you're out."

After that year as the only woman to participate in the Porsche Turbo Cup, she had no intention of getting out. Come 1989 she didn't think twice before accepting a spot on a Belgian team for Sierra Cosworth in the discipline she most loved: rally racing.

"My first race was a disaster," she says. "I'd put the pedal down and the back of the car was everywhere." But she was sixth in her second race and by the end of the season she was women's vice champion of the French first division rally championships.

All good things must come to an end, so when Boniface opted to settle into rally racing and stick around another year, sponsorship problems beset the Luigi Racing team for which she was driving and "1990 was mostly a sabbatical." This year, she is on the move again, driving prototypes — the kinds of cars seen in the 24 Hours of Le Mans — for Alfa Romeo and lying seventh overall in the women's championship race.

Her goals are like her life, not easy to pin down, a bit off the beaten path, but undaunting nonetheless. She wants to return to rally driving, where the ultimate is the Monte Carlo Rally and where one of the great thrills is the Tour of Corsica and the three-quarters of a million fans who line the race route. "I'd like to see her in something more substantial," her father says, but then has to admit, "she drives well."

Boniface wants to push her success in a world where she is often treated more as a novelty than a threat. For example, Tourliere says women drivers are perceived as "exotic" but thinks it is harder for them to "master the technicalities" of the sport, even though he praises Boniface personally.

And her personal life just happens to be the one place where Boniface feels certain she's already gained something that will never leave her. "I feel like no matter what I confront in the future," she says, "I can survive."

CHESS

By Robert Byrne

DESPITE the fragile political situation in Yugoslavia, the Milan Vidmar Memorial International Tournament in Bled and Rogaska Slatina, in Slovenia, played to a finish in late June. This was one more sign of the prominence of chess in Yugoslavia, the country with the highest density of chessplayers in the world.

This year's running of the Vidmar, to honor the memory of the great player of the first half of the 20th century, was the eighth in the series. Predrag Nikolic, a Yugoslav grandmaster, won, 9½-3½. He was followed by Yevgeny Bareyev,a Soviet grandmaster, who tallied 9-4.

Nikolic gave an example of his solid yet enterprising style in his defeat of the Yugoslav grandmaster Branko Damljanovic.

The Yugoslav Variation of the King's Indian Defense, 5...c5, has encountered various problems lately, so it is strange to see Damljanovic using it, especially since he was not equipped with an improvement over previous play.

In a game between Zoran Ilic and Stefan Cigan in Cetinje, Yugoslavia, last year, Black returned to an old gambit with 7...e5?! 8 de Be6 9 Ng5 Bc4 10 Bb7 Ndb7, but after 11 Na3! Nb6 12 Ba8 Qa8 13 Nc4 Nc4 14 Qc2 Ne5 15 Bf4, White had a decisive superiority and went on to win.

Years ago, it was thought that after 11...Bg4 12 h3 Bf3 13 Qf3, Black should have no problems, but that's not quite true. Damljanovic followed the known positional formulas in playing 13...e6 14 Bf4 ed 15 ed to obtain an open e file, and he opened the b file with 15...b5 16 ab Rb6 to achieve pressure against the backward b2 pawn.

Nevertheless, after 19 Rfe1, Nikolic had the initiative and Black's intended counterplay had not materialized. Thus, 19...Bb2? 20 Nb2 Rb2 21 Bh6 Ng7 22 Qc3 would cost Black a rook.

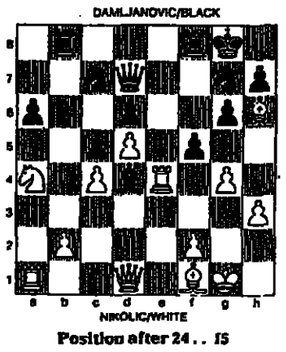
Had Damljanovic been willing to exchange his important bishop, he could have taken a pawn with 21...Bb2 22 Nb2 Rb2. There would have been no immediate concrete crusher, yet Nikolic would have developed pressure after 23 Bh6 Ng7 24 Qc1 Rbb8 25 Qc3 f6 26 Rab1. Instead, Damljanovic tried to improve the position of his pieces with 21...Bd4 and 23...Ng7 and then launched a counterattack with 24...f5.

But that left him vulnerable to a powerful sacrifice of rook for bishop-and-pawn with 25 Rd4! cd 26 Qd4. And Nikolic soon set up a passed pawn with 28 c5!, the tactical point being that 28...dc 29 Nc5 Qd5? 30 Qd5 Nd5 31 Bc4 Nb4 32 Rd1 will insure that White will recover the exchange with a decisive advantage.

Damljanovic's effort to obtain counterplay with 32...Qh4 33 Be3 h5 34 gh Qh5 35 Rh1 Qf3 36 Kg1 Nf6 came to nought after 37 Qf4! Qf4 38 Bf4.

After 39 Be3, Black had no resource against the looming advance of the passed c5 pawn because the threat of 40 Bd4! disrupted his possibilities for defense. Damljanovic played 39...Rh7, but gave up before Nikolic could put the seal on the victory with 40 Rh7 Kh7 41 c6.

DAMLJANOVIC/BLACK



NIKOLIC/WHITE

Position after 24 . . f5

KING'S INDIAN DEFENSE

White Nikolic	Black Dam'vic	White Nikolic	Black Dam'vic
1 d4	g6	21 Qd1	Bd4
2 c4	Bg7	22 Bd2	Rb8
3 Nf3	Nf6	23 Bh6	Ng7
4 g3	O-O	24 Re4	f5
5 Bg2	c5	25 Rd4	cd
6 d5	d6	26 Qd4	fg
7 O-O	Ne8	27 hg	Rf7
8 Nc3	Nc7	28 c5	Nb5
9 e4	Rb8	29 Bb5	ab
10 a4	a6	30 Nb6	Qd8
11 a5	Bg4	31 b4	Ne8
12 h3	Bf3	32 Kg2	Qh4
13 Qf3	e6	33 Be2	h5
14 Bf4	ed	34 gh	Qh5
15 ed	b5	35 Rh1	Qf3
16 ab	Rb8	36 Kg1	Nf8
17 Na4	Rb6	37 Qf4	Qf4
18 g4	Nfe6	38 Bf4	Ne4
19 Rfe1	Rb4	39 Be3	Rh7 and Resigns
20 Bf1	Qd7		

BOOKS

AFRICAN SILENCES

By Peter Matthiessen. 225 pages. $21. Random House Inc., 201 East 50th Street, New York, N.Y. 10022.

Reviewed by Eric Pace

WELL into "African Silences," Peter Matthiessen tells about sighting elephants of intriguingly different sizes at a forest glade in a remote corner of the Central African Republic five years ago.

It turns out that many elephants there are hybrids, variegated descendants of two strains: one short, one tall. The author says the expedition then managed to delineate a "vast hybridization zone," running deep into the Congo Basin, "which has never before been defined."

As it happens, his book is also a hybrid, created from two species of nonfiction: partisan environmental reportage and travel writing, subspecies sub-Saharan Africa. It, too, is significant and often fascinating, though not exactly new.

Much of the reportage is stunningly sad, detailing the decimation of elephants and other wildlife in large sections of Africa in recent decades. But Matthiessen, the American writer, traveler and naturalist, now 64, also has some good news to tell about steps that have been taken to protect wildlife.

The book almost entirely consists of narratives of three study trips Matthiessen made around parts of Africa in the company of environmental experts. Two journeys were taken in 1978, one in 1986; a note indicates that something more than half the writing in this book has appeared in magazines.

In the book's epilogue, Matthiessen says that Iain Douglas-Hamilton, whose wildlife studies have included monitoring African elephants for the EC, has estimated their 1990 population at a mere 609,000, which Matthiessen says is only "a remnant of the millions of elephants that once wandered the whole continent."

Of the view from a small plane over Murchison Falls National Park in Uganda in 1986, he says, "Twenty-five years ago, when I first came here," the park "was famous all over the world for its legions of great-tusked elephants and other animals. Today most of the animals are gone, cut down by the automatic guns of marauding armies.

"The park's 12,000 elephants are now 300. We see none. The only animals in view are a few kob antelope that scatter wildly at the coming of the plane."

Matthiessen went on the 1986 journey to the Central African Republic with Dr. David Western, an ecologist, to survey the rain forests, giving special attention to the numbers and distribution of the small forest elephant. By the trip's end, Western had concluded that its numbers were substantially smaller than expected. In 1989, Matthiessen writes, Western played an important role in getting the 102-nation Convention on International Trade in Endangered Species to move strongly to put an end to the legal trade in elephant ivory and, as a result, by the end of 1990 "the ivory market had collapsed, and though sporadic poaching still continues, it is much diminished almost everywhere."

Eric Pace is on the staff of The New York Times.

PEANUTS

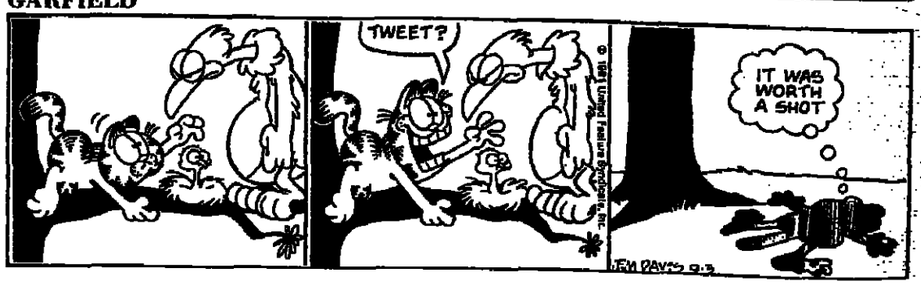
BEETLE BAILEY

CALVIN AND HOBBES

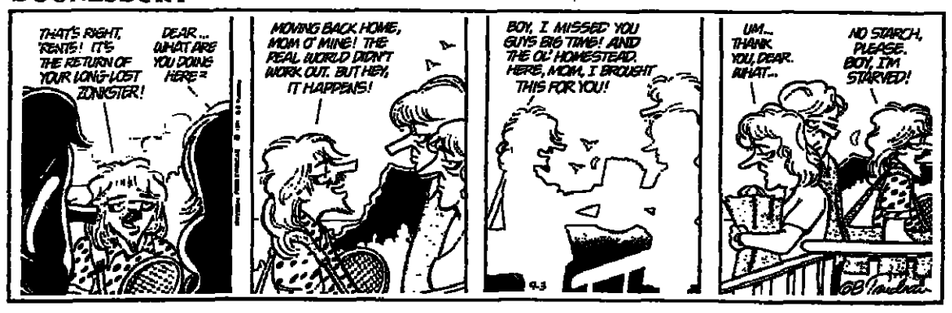
WIZARD of ID

REX MORGAN

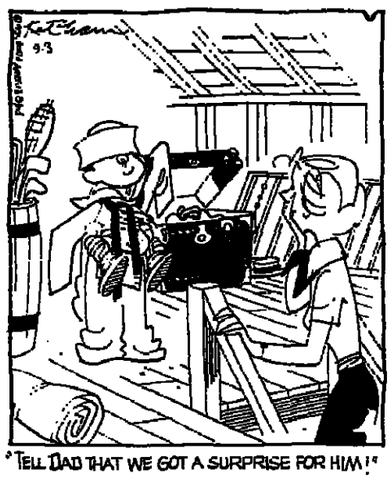
GARFIELD



DOONESBURY



DENNIS THE MENACE



"TELL DAD THAT WE GOT A SURPRISE FOR HIM!"

JUMBLE® THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

OXMIA

DEESU

GROFTE

WENITH

HE ACTED LIKE A SKUNK AND HOPED NOBODY WOULD GET THIS.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ( ) ( ) ( )

(Answers tomorrow)

Yesterday's Jumbles: SOAPY GRIPE BRUTAL SHREWD
Answer: What that strong skeptic was never in doubt about—HIS DOUBTS

SPORTS

Erickson Is AL's First With 17 Victories as Twins Rout the Indians

The Associated Press

Scott Erickson returned to his early-season form with seven shutout innings and became the American League's first 17-game winner as the Twins beat the Indians, 9-3, Monday in Minneapolis.

Kirby Puckett's RBI double in the seventh inning broke a scoreless tie and sparked Minnesota's four-run burst. Shane Mack's second grand slam of the season capped a five-run eighth.

Erickson (17-6) gave up six hits and struck out seven in his best performance since returning from the disabled list July 15 because of a strained right elbow.

AMERICAN LEAGUE

Since his return, Erickson was 4-3 with a 7.49 ERA before Monday's game. During that span, he averaged just 4.41 innings per start, compared to 7.67 before his injury.

The Indians hit several balls hard in the first two innings before Erickson settled down. He twice struck out Carlos Baerga with two outs and two runners on base.

Eric King (5-9) gave up just one hit until the seventh, when Randy Bush drew a leadoff walk. Pinch runner Jarvis Brown was going as Puckett followed by slapping a head-high pitch down the left-field line for a 1-0 lead. Kent Hrbek singled home a run, an error by Baerga at second baseman allowed another to score and Junior Ortiz's RBI double finished King.

Steve Bedrosian relieved Erickson to start the eighth and failed to retire any of the four batters he faced, allowing RBI singles to Carlos Martinez and Mike Aldrete. Rick Aguilera got Jeff Manto to ground into a run-scoring double play and then finished up in the ninth for his 37th save in 44 chances.

Mack hit his 17th home run and second career slam in eighth off Steve Olin. Puckett hit an RBI single off Shawn Hillegas before Mack connected.

Blue Jays 5, Orioles 4: Joe Carter opened the 12th inning with a triple off the glove of right fielder Chito Martinez and scored on Cory Snyder's single as Toronto, at home, scored its seventh victory in nine games.

Toronto, which rallied from a 4-0 deficit, blew scoring chances in the ninth and 10th innings before finally winning.

Carter, who struck out with a runner on second to end the ninth, led off the 12th with drive that glanced off Martinez's glove in the corner. Snyder followed with a single down the left-field line off Gregg Olson (3-5).

Snyder's hit came in his first at-bat since being recalled Sunday from Triple-A Syracuse.

■ *In Sunday's games, The Associated Press reported:*

Tigers 5, Athletics 2: Mark Leiter won his sixth straight and Cecil Fielder drove in his 112th run as the Tigers defeated the Athletics to snap a four-game losing streak in Oakland.

Leiter retired 21 of the first 23 batters he faced, including 16 in a row from the second through the seventh innings. He allowed two-out singles to Jose Canseco in the first and Jamie Quirk in the second before giving up three consecutive hits in the eighth inning.

Leiter gave up Mike Gallego's run-scoring single and pinch hitter Terry Steinbach's sacrifice fly before striking out Dave Henderson with a runner on third to end the inning with Detroit ahead, 3-2.

Red Sox 13, Mariners 2: Wade Boggs had four hits to move into the lead in the American League batting race for the first time this year, helping Boston win in Seattle.

It's the first time since Aug. 29, 1989, that the five-time AL batting champion has led the league in hitting. Boggs singled four times in six at-bats to raise his average to .338 and move past Julio Franco of Texas, who is hitting .335.

Brewers 3, Angels 1: Jaime Navarro pitched a four-hitter in Milwaukee but lost his shutout with two outs in the ninth inning when Wally Joyner hit his 21st home run. He was the only California runner to get past first base.

Paul Molitor singled during Milwaukee's two-run first inning and hit his 16th homer in the seventh off Chuck Finley.

Rangers 6, Royals 4: The Rangers ended Bret Saberhagen's bid for another no-hitter early and beat him late, scoring three times in the eighth in Arlington, Texas.

Saberhagen, making his first start since no-hitting the White Sox last Monday, gave up Kevin Reimer's home run in the second inning. George Brett's homer helped Kansas City take a 3-1 lead in the fifth, but Saberhagen couldn't hold it.

Sampras and Navratilova Gain Open Quarterfinals

The Associated Press

NEW YORK — In a battle of young American stars, defending champion Pete Sampras bounced back Monday to defeat No. 11 David Wheaton, 3-6, 6-2, 6-2, 6-4, at the U.S. Open.

The victory sent Sampras, seeded No. 6, into the quarterfinals against the winner of the night's match between No. 4 Jim Courier and No. 14 Emilio Sánchez.

Also advancing to the quarterfinals for the 13th time in 15 years was four-time champion Martina Navratilova, who settled a year-old score with a 7-6 (7-5), 1-6, 6-2 victory over Manuela Maleeva-Fragniere, who eliminated her from this Grand Slam tournament a year ago. Navratilova, seeded sixth, will next play fourth-seeded Arantxa Sánchez-Vicario, who beat Natalia Zvereva, 6-3, 7-6 (7-4).

Also Monday, eighth seed Conchita Martinez of Spain ousted No. 12 Zina Garrison, 6-4, 6-4. She will face either Judith Wiesner or top seed Steffi Graf.

Later, unseeded Jimmy Connors, celebrating his 39th birthday, sought to continue his unexpected progress through the field against Aaron Krickstein. And he played the only way he knows: practically endlessly, as he pushed the 24-year-old into a fifth set.

Connors lost the first set, 3-6, won the second in a tiebreaker, then dropped the third by 1-6. He tied Krickstein by taking the fourth set, 6-3.

The winner of that match will face Paul Haarhuis of the Netherlands, who beat Germany's Carl-Uwe Steeb, 6-2, 6-3, 6-4. Haarhuis earlier ousted Boris Becker.

Earlier, Robin Finn of The New York Times reported:

Ivan Lendl, the man who turns automaton when others turn tail, began to use his groundstrokes like incisors to mangle the resolve of Goran Ivanisevic as their match wore on Sunday night. And it hurt.

The 12th-seeded Yugoslav teenager, whose temper packs the same punch as his tennis, couldn't will Lendl away. Lendl, a three-time U.S. Open champion determined to win his first Open since 1987, prevailed, 7-5, 6-7 (7-4), 6-4, 6-2.

The victory, a 3-hour, 30-minute exchange of stinging shots between two baseliners with a penchant for punishing the ball, moved the fifth-seeded Lendl into the quarterfinal round of the Open for the 10th consecutive year.

Lendl's next opponent is the third-seeded Michael Stich, who despite his qualms about the quirks in his hardcourt performance, overcame Derrick Rostagno, the upset specialist, and advanced with a 6-2, 3-6, 6-1, 7-6 (7-4) victory.

Stefan Edberg, the No. 2 seed, survived a thrilling match against Michael Chang, 7-6 (7-2), 7-5, 6-3, that was much closer than the straight-sets result might indicate.

"He played some really unbelievable shots and I had to play my best tennis to beat him," said Edberg, who will play Javier Sánchez in the quarterfinals and try to reach the semis for the first time since 1987. Sánchez beat Gabriel Markus of Argentina, 6-4, 6-2, 6-3.

"This is the best night match I've ever played here," said Edberg, who has never reached the U.S. Open final.

Chang, who beat John McEnroe in the third round with 13 winning lobs, couldn't get that shot past the quicker, more agile Edberg as often. But the speedy Chang kept rallies alive with lunging shots that startled Edberg several times when he thought the point was won.

"It just came down to Stefan was able to play the bigger points better," Chang said. "I really wanted to go out there and attack him. I think I was able to do that. I got into a little bit of trouble when I didn't get my first serve in."

Stich, who has advanced to the quarterfinal round of three successive Grand Slam events, said he wasn't about to let a slight case of disorientation spoil his progress.

"I don't like the way I'm playing right now; I just don't have the touch for the surface and for the ball and not the right timing," said Stich, who was pushed into a five-setter by MaliVai Washington in the previous round and worried through a fourth-set tiebreaker before escaping Sunday.

"Today it was just a question of surviving. The quarterfinals were my goal, and I'm there, and just three more matches and I think I also can win it."

It was easy to trace Rostagno's problems with Stich, the late-bloomer who has been thriving on his anonymity in Manhattan after a raucous month of team tennis back in Germany after his Wimbledon triumph.

"I had moments, games even, where I felt really awake, but it was difficult to concentrate," said Rostagno, who upset John McEnroe in the first round at Wimbledon last year and eliminated Sampras, the defending Open champion, in the second round there this year.

Rostagno had similar designs on detouring Stich, but literally lost sight of them. "At times I would lose sight of the ball for no apparent reason," he said. "I'd play a few good points and then play the worst point ever, I made such bad decisions."

So did Jana Novotna, who decided before her fourth-round match with Gabriela Sabatini that it was time to take a more assertive game plan onto the Stadium Court. The trouble was, Novotna's volley didn't work for her, a plight that sabotaged her plans and allowed Sabatini to dictate as usual.

Sabatini advanced to face Jennifer Capriati in the quarterfinals when Novotna, still mired in a game plan gone haywire, followed a big forehand approach toward the net only to bury her backhand volley in the mesh.

"Everything is coming together again," said Sabatini, who is 6-1 against Capriati and suffered her only loss to the Florida teenager this summer at the Canadian Open, where a blister forced her withdrawal midway through their semifinal match.

That other heavy hitter, Monica Seles, spent as much time traipsing around the Grandstand Court signing autographs after her match as she did crushing Regina Rajchrtova, 6-1, 6-1, during it.

"I never understood the image thing," said Seles, who will face unseeded Gigi Fernandez in the next round. Fernandez, who has never tackled Seles's power game, upended Radka Zrubakova of Czechoslovakia, 6-2, 6-2.

Malcolm Clarke/The Associated Press

Four-time champion Martina Navratilova settled a year-old score with a 7-6 (7-5), 1-6, 6-2 victory over Manuela Maleeva-Fragniere.

Expos Send the Braves to a Third Straight Defeat

The Associated Press

Atlanta lost its third straight game as Andres Galarraga hit a two-run homer and Bill Sampen pitched strongly for six innings in Montreal on Monday to help the Expos defeat the Braves and Tom Glavine, 4-3.

The Braves entered the day in a first-place tie with Los Angeles in the NL West. The Dodgers played later against St. Louis.

Sampen (7-4), pitching because Dennis Martinez has a lower back strain, gave up four hits in only his fifth start of the year and his first since April 28. Mel Rojas pitched two innings and Barry Jones struggled to get the last three outs.

The Braves rallied in the ninth off Jones as Otis Nixon hit a two-run triple and Jeff Treadway singled him home. But Terry Pendleton hit into a double play to end the game.

Glavine (17-9), the major-league leader in wins, gave up five hits and struck out 10 for his ninth complete. He had a no-hitter going until Marquis Grissom singled with two out in the fifth and Galarraga followed with his sixth homer.

Pinch-hitter Junior Noboa led off the sixth with a single. Noboa advanced on Delino DeShields's

NATIONAL LEAGUE

sacrifice before Spike Owen beat out an infield single and Ivan Calderon walked to load the bases.

Glavine got Tim Wallach to foul out before Larry Walker lined a single to right, scoring two runs.

Astros 3, Mets 0: Rookies Ryan Bowen, Rob Mallicoat and Al Osuna combined on a six-hitter to lead the Astros in Shea Stadium, ending Houston's three-game losing streak.

Bowen (4-2) allowed five singles and four walks in 6⅓ innings before Mallicoat came on to stop a rally in the seventh. Osuna got his 10th save with two innings of one-hit relief as the Astros broke the Mets' three-game winning streak.

Houston had taken a 1-0 lead off slumping Frank Viola (12-13) in the second on third baseman Howard Johnson's throwing error. Viola, who allowed 10 hits, walked two and struck out five in eight innings, has lost eight of his last nine decisions and five in a row.

■ *In Sunday's games, The Associated Press reported:*

Dodgers 12, Cubs 3: The Dodgers turned a page on the calendar and their struggling offense turned the corner as well as Eddie Murray and Kal Daniels carried them back into a first-place tie in the NL West.

"This is what we've been waiting for for a long time, and we hope this is a good sign for the month of September," their manager, Tom Lasorda, said in Los Angeles after his team's most productive day in 12 weeks.

The victory was the third in a row for the Dodgers, who spent four days in second place after Atlanta ended their 105-day hold on the division lead Wednesday.

Murray and Daniels each had three hits, including a homer, and three RBIs as Los Angeles came within a run of its season high, a 13-5 victory in Wrigley Field on June 10. Daniels also was relieved to see August end; he hit .207 for the month.

Loser Frank Castillo failed to complete the first inning as the Dodgers sent 10 men to the plate and scored five runs on five hits.

Cardinals 14, Giants 1: Felix Jose hit two home runs and drove in five runs in San Francisco, and Ray Lankford also homered twice as the Cardinals snapped a four-game losing streak behind Bob Tewksbury's seven-hitter.

Jose had a run-scoring single in third, sacrifice fly in the fourth, two-run homer in the sixth and solo shot in the ninth to trigger a four-run inning. The homers were Jose's fourth and fifth of the season.

Padres 7, Pirates 4: Benito Santiago turned boos to cheers in San Diego with a three-run homer in the third inning, ending Pittsburgh's five-game winning streak.

Tim Teufel added a two-run homer and an RBI single, and Fred McGriff went three for four with one RBI. The loss cut Pittsburgh's lead in the NL East to seven games over the Cardinals.

Santiago, whose throwing error allowed the tying run to score in the top of the third, was booed as he came to bat following singles by Darrin Jackson and McGriff. Santiago hit the first pitch from Zane Smith over the right-field fence for his 14th homer and a 5-2 lead.

For the Old Man of Tennis, A Sea of Familiar Faces

By Filip Bondy
New York Times Service

NEW YORK — The fans were stacked five-deep again to watch Jimmy Connors hit flat forehands with John Lloyd out on a sidecourt near where National Tennis Center workers cart the garbage. The smell around Court 11 was awful, but none of the fans would budge from the fence. They wanted autographs or a glimpse of the great left-hander. Connors was a phenomenon worth the wait, worth the aroma.

"Most people in the stands now are 35 or 40 years old," said Connors, taking stock of his audience Sunday afternoon. "They're in my range. I look up and see a lot of familiar faces."

Connors turned 39 on Monday, an age that Jack Benny once immortalized, and faced Aaron Krickstein on the Stadium Court in a fourth-round match at the U.S. Open. His legion of fans, which appears to grow on a daily basis, would make life very difficult for Krickstein. That much was certain.

Connors: 'I look up and see a lot of familiar faces.'

"I have a lot of friends here who came to watch me play and some family around," Krickstein said. "But obviously, the crowd is behind Jimmy."

It is not an easy task to face Connors here, in his favorite concrete playground. Nasty hecklers and well-meaning enthusiasts lean forward from their seats all over Louis Armstrong Stadium, heaping praise upon their hero, condemnation upon the opponent. Any given service windup can be interrupted by a scream in the night, or day.

In a sport still not without its etiquette, opponents react differently to this sort of uncontrolled zaniness. Patrick McEnroe survived well enough against Connors and his spell, despite a heartbreaking defeat in the first round. Karel Novacek of Czechoslovakia, a straight-set, third-round victim on Saturday, dissolved in a nervous puddle.

"I played him for the first time; unfortunately for me, I played him here in the U.S. Open before 20,000 people in the Stadium," Novacek said. "Jimmy is such a great sportsman, I think that he doesn't want the crowd to cheer when somebody misses the first serve. But I started to be very nervous."

"He is just a personality," Michael Stich said. "It is just unbelievable, the fun and the enjoyment he is having on the court."

While Connors communes easily with his fans, he finds it more difficult to relate to the new breed of pros. "They sit in the locker room with headsets on, and stay by themselves," he said. "We used to have a little bit more rapport."

Krickstein, 24, is a rare, young buddy. Too good a pal, Krickstein thought, noting that "he has beaten me five times already, so I have been enough of a friend to him."

He has visited Connors in his home in Santa Ynez, California, and watched the Super Bowl with Connors' family. "We went out and shot guns," Connors said of Krickstein's most recent visit. "He's been a friend for a long time, and I hope he remembers that."

Although all of his fellow players express admiration for Connors's exuberance, there are a few who are fed up with the attention he receives. After tersely answering a couple of questions about Connors during one postmatch news conference, Pete Sampras, the defending Open champion, snapped, "Is this a press conference about Connors or about me?"

SCOREBOARD

FOOTBALL

NFL Standings

AMERICAN CONFERENCE

East	W	L	T	Pts	PF	PA
Buffalo	1	0	0	1.000	35	31
New England	1	0	0	1.000	16	7
N.Y. Jets	1	0	0	1.000	16	13
Indianapolis	0	1	0	.000	7	16
Miami	0	1	0	.000	31	35
Central	W	L	T	Pts	PF	PA
Houston	1	0	0	1.000	47	17
Pittsburgh	1	0	0	1.000	26	20
Cincinnati	0	1	0	.000	14	45
Cleveland	0	1	0	.000	14	26
West	W	L	T	Pts	PF	PA
Denver	1	0	0	1.000	45	14
Kansas City	1	0	0	1.000	14	3
LA Raiders	0	1	0	.000	17	47
San Diego	0	1	0	.000	20	26
Seattle	0	1	0	.000	24	27

NATIONAL CONFERENCE

East	W	L	T	Pts	PF	PA
Dallas	1	0	0	1.000	26	14
Philadelphia	1	0	0	1.000	20	3
Phoenix	1	0	0	1.000	24	14
Washington	1	0	0	1.000	45	0
N.Y. Giants	0	0	0	.000	0	0
Central	W	L	T	Pts	PF	PA
Chicago	1	0	0	1.000	10	6
Detroit	0	1	0	.000	0	45
Green Bay	0	1	0	.000	3	20
Minnesota	0	1	0	.000	6	10
Tampa Bay	0	1	0	.000	13	16
West	W	L	T	Pts	PF	PA
New Orleans	1	0	0	1.000	27	24
San Francisco	0	0	0	.000	0	0
Atlanta	0	1	0	.000	3	14
LA Rams	0	1	0	.000	14	24

Sunday's Results
Kansas City 14, Atlanta 3
New Orleans 27, Seattle 24
New York Jets 16, Tampa Bay 13
Dallas 26, Cleveland 14
Philadelphia 20, Green Bay 3
Phoenix 24, Los Angeles Rams 14
Houston 47, Los Angeles Raiders 17
Buffalo 35, Miami 31
Chicago 10, Minnesota 6
New England 16, Indianapolis 7
Pittsburgh 26, San Diego 20
Denver 45, Cincinnati 14
Washington 45, Detroit 0
Monday's Game
San Francisco at New York Giants

CFL Standings

Eastern Division	W	L	T	PF	PA	Pts
Toronto	6	2	0	319	227	12
Winnipeg	5	4	0	234	246	10
Ottawa	4	4	0	237	228	8
Hamilton	0	8	0	134	262	0
Western Division						
Calgary	6	2	0	262	226	12
Edmonton	5	3	0	331	246	10
Brit Cimb	4	4	0	282	291	8
Saskichwn	3	6	0	321	365	6

Sunday's Result
Saskatchewan 56, Winnipeg 23

BASEBALL

Major League Standings

(Through Sunday's Games)
AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Toronto	73	59	.553	—
Detroit	70	61	.534	2½
Boston	67	63	.515	5
Milwaukee	63	67	.485	9
New York	59	70	.457	12½
Baltimore	53	77	.408	19
Cleveland	43	87	.331	29
West Division				
Minnesota	79	53	.598	—
Oakland	71	61	.538	8
Chicago	70	61	.534	8½
Texas	66	61	.527	9½
Kansas City	67	62	.519	10½
Seattle	67	64	.511	11½
California	63	67	.485	15

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	77	52	.597	—
St. Louis	70	59	.543	7
Chicago	65	65	.500	12½
New York	64	66	.492	13½
Philadelphia	63	67	.485	14½
Montreal	53	76	.411	24
West Division				
Atlanta	72	58	.554	—
Los Angeles	72	58	.554	—
Cincinnati	64	66	.492	8
San Diego	64	67	.489	8½
San Francisco	62	68	.477	10
Houston	53	77	.408	19

Sunday's Line Scores

AMERICAN LEAGUE

Toronto 100 001 000—2 5 0
New York 100 000 03x—4 7 1
Guzman, Timlin (7), MacDonald (8), Acker (8) and Myers, Borders (6); Perez, Guetterman (7) and Nokes. W—Guetterman, 3-2. L—MacDonald, 3-2.

California 000 000 001—1 4 0
Milwaukee 200 000 10x—3 7 0
Finley and Parrish; Navarro and Dempsey. W—Navarro, 13-10. L—Finley, 16-8. HRs—California, Joyner (21). Milwaukee, Molitor (16).

Baltimore 000 003 000—3 7 1
Minnesota 020 513 30x—14 16 1
Rhodes, Telford (4), Williamson (7), Olson (8) and Hoiles; Morris, Guthrie (8) and Harper, Webster (8). W—Morris, 14-10. L—Rhodes, 0-2. HRs—Baltimore, Martinez (10). Minnesota, Sorrento (2), C. Davis (27), Harper (9).

Cleveland 000 010 000—1 4 0
Chicago 330 000 00x—6 12 2
Swindell, Orosco (7), Hillegas (8) and Skinner; Alvarez and Karkovice. W—Alvarez, 2-2. L—Swindell, 8-13. HRs—Cleveland, Martinez (3). Chicago, Thomas (29), Fisk (14).

Kansas City 000 120 001—4 6 1
Texas 010 020 03x—6 10 3
Saberhagen, Magnante (8), S. Davis (8) and Spehr; Brown, Mathews (8), Je. Russell (9) and Rodriguez. Petralli (7), Stanley (9). W—Mathews, 2-0. L—Saberhagen, 10-7. Sv—Je. Russell (26). HRs—Kansas City, Brett (8). Texas, Reimer (15).

Detroit 110 100 002—5 12 0
Oakland 000 000 020—2 5 1
Leiter, Gleaton (9) and Tettleton; Welch, Young (8), Nelson (9) and Quirk, Steinbach (9). W—Leiter, 8-2. L—Welch, 11-10. Sv—Gleaton (2). HR—Detroit, Fryman (18).

Boston 460 010 020—13 18 0
Seattle 101 000 000—2 8 0
Morton, Lamp (8), Harris (9) and Marzano; Johnson, Bankhead (2), Jones (5), Swift (8), Schooler (9) and Valle, Cochrane (5). W—Morton, 4-3. L—Johnson, 12-10. HR—Boston, Brunansky (15).

NATIONAL LEAGUE

Atlanta 102 000 010 0—4 11 0
Philadelphia 000 200 020 1—5 12 0
(10 innings)
Leibrandt, Clancy (7), Stanton (8), Wohlers (9) and Olson; Ruffin, Searcy (8), Williams (9) and Lake, Daulton (8). W—Williams, 10-4. L—Wohlers, 1-1. HRs—Atlanta, Pendleton (17). Philadelphia, Jordan (9), J. Morris (1).

Houston 100 000 000—1 4 1
Montreal 012 001 01x—4 9 1
Kile, Corsi (5), Mallicoat (7) and Eusebio; Nabholz and Fitzgerald. W—Nabholz, 3-7. L—Kile, 6-9. HR—Montreal, Galarraga (5).

New York 102 004 002—9 10 0
Cincinnati 012 001 000—4 10 2
Whitehurst, Simons (6), and O'Brien; Scudder, Gross (6), Hammond (7), Hill (9) and Reed, Scott (7). W—Whitehurst, 6-10. L—Scudder, 5-5. Sv—Simons (1). HR—New York, Johnson (29).

St. Louis 004 302 014—14 18 0
San Francisco 000 000 100—1 7 1
Tewksbury and Pagnozzi, Gedman (7); Burkett, Downs (3), Robinson (4), Heredia (8) and Manwaring. W—Tewksbury, 9-9. L—Burkett, 9-9. HRs—St. Louis, Lankford 2 (5), Jose 2 (5). San Francisco, Williams (26).

Chicago 003 000 000—3 8 0
Los Angeles 501 003 12x—12 15 0
Castillo, Boskie (1), Scanlan (6), Do. Smith (8) and Wilkins, Girardi (6); Martinez, Gott (8), Cook (9) and Scioscia, Hernandez (8). W—R. Martinez, 16-9. L—Castillo, 5-3. HRs—Chicago, Dawson (24). Los Angeles, Daniels (14), Gwynn (5), Murray (14).

Pittsburgh 011 002 000—4 7 1
San Diego 203 020 00x—7 10 2
Z. Smith, Heaton (5), Patterson (6), Ro. Rodriguez (8) and LaValliere; Prince (8); Bones, Maddux (6) and Santiago. W—Bones, 2-3. L—Z. Smith, 12-10. Sv—Maddux (3). HRs—San Diego, Santiago (14), Teufel (9).

TENNIS

U.S. Open

Men's Singles, Fourth Round
Michael Stich (3), Germany, def. Derrick Rostagno, U.S., 6-2, 3-6, 6-1, 7-6 (7-4); Ivan Lendl (5), Czechoslovakia, def. Goran Ivanisevic (12), Yugoslavia, 7-5, 6-7 (4-7), 6-4, 6-2; Javier Sanchez, Spain, def. Gabriel Markus, Argentina, 6-4, 6-2, 6-3; Stefan Edberg (2), Sweden, def. Michael Chang, U.S., 7-6 (7-2), 7-5, 6-3.

Women's Singles, Fourth Round
Jennifer Capriati (7), U.S., def. Jo Durie, Britain, 6-1, 6-2; Monica Seles (2), Yugoslavia, def. Regina Rajchrtova, Czechoslovakia, 6-1, 6-1; Gabriela Sabatini (3), Argentina, def. Jana Novotna (9), Czechoslovakia, 6-4, 7-6 (7-4); Gigi Fernandez, U.S., def. Radka Zrubakova, Czechoslovakia, 6-2, 6-2.

SOCCER

SPANISH FIRST DIVISION
Athletic Bilbao 0, Sevilla 2
Real Valladolid 0, Sporting Gijon 1
Cadiz 0 Real Madrid 1
Tenerife 3, Logrones 0
Valencia 2, Deportivo Coruna 1
Osasuna 2, Albacete 0
Atletico Madrid 2, Real Burgos 0
Real Oviedo 0, Real Mallorca 0
Real Zaragoza 1, Espanol 1
Barcelona 2, Real Sociedad 0

TRANSACTIONS

BASEBALL
American League

CHICAGO—Recalled Roberto Hernandez, pitcher, from Birmingham, Southern League. Optioned Brian Drahman, pitcher, to Vancouver, Pacific Coast League.

MINNESOTA—Optioned Allan Anderson and Tom Edens, pitchers, to Kenosha, Midwest League. Recalled Jarvis Brown and Pedro Martinez, outfielders; Paul Sorrento, first baseman; Gary Wayne, Denny Neagle, Willie Banks and Paul Abbott, pitchers, and Lenny Webster, catcher, from Portland, PLC.

OAKLAND—Recalled Lance Blankenship and Scott Hemond, infielders, from Tacoma, PCL. Optioned Brad Komminsk, outfielder, and Brad Wilmeyer, first baseman, to Tacoma. Activated Willie Wilson, outfielder, from 15-day disabled list. Called up Kevin Campbell, Bruce Walton and Joe Slusarski, pitchers, Dann Howitt, outfielder, and Vance Law, infielder, from Tacoma.

TORONTO—Recalled Derek Bell, Cory Snyder, Turner Ward, outfielders; Eddie Zosky, shortstop; and Pat Hentgen, pitcher, from Syracuse, International League, and David Weathers and Vince Horsman, pitchers, from Knoxville, SL.

SIDELINES

Team Says Richardson Failed Cocaine Tests

BOLOGNA, Italy (AP) — Knorr Bologna said Monday that it had dropped former National Basketball Association star Micheal Ray Richardson because he twice tested positive for cocaine use after returning from the United States last week to rejoin the team.

Richardson, 35, a guard who in 1986 became the first NBA player banned for cocaine use, had undergone tests since joining Knorr Bologna three years ago. Vittorio Mancaruso, the team's general manager, said that until last week Richardson's tests had always been negative.

Martell Will Sponsor Grand National Race

LIVERPOOL (Reuters) — The future of the world's greatest steeplechase, the Grand National, has been secured for the next seven years under new sponsorship announced Monday by the French-based brandy giant Martell.

The company has an option to continue sponsorship until 2003.

● Tight Spot won a charge to the finish Sunday at the Arlington Million. Algenib, last year's Argentine horse of the year, closed sharply to for second place and the French filly Kartajana, bred in Ireland and owned by the Aga Khan, charged up on the rail to take third. *(UPI)*

For the Record

Chinese shot putter Xinmei Sui tested positive for anabolic steroids after winning a gold medal in July at the World Student Games in England, the International University Sports Federation said Monday. *(Reuters)*

Jean Sadoul, 79, president of the French soccer league since 1967, died Sunday night; he had never fully recovered from a stroke in February. *(AFP)*

Johnny Famechon, the former world featherweight boxing champion, began to show signs of emerging from a coma Monday. *(AP)*

Quotable

● Quarterback Brett Favre, a second-round draft choice of the Atlanta Falcons, on his hometown of Kiln, Mississippi: "Mostly people work on cars all day, party at night and wrap it all up with a few barroom brawls."

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ART BUCHWALD

Why Communism Failed

WASHINGTON — To make it as simple as possible, this is what the new leaders of the Soviet Union, or whatever is left of it, face. For 70 years the country was run by fat, old, tired men who had risen through the ranks of the Communist Party espousing an economic system that didn't work. Whenever anyone complained, he was arrested as an enemy of the state and dealt with in an extremely unkind manner.

Buchwald

Here's why communism didn't work.

Buglatov was in charge of building a new apartment house called Molotov Gardens on the outskirts of Moscow.

It was almost completed when someone pointed out to him that it needed wooden floors.

"How stupid of me!" exclaimed Buglatov. "I was studying so hard for my party exams that I forgot the floors. Not to worry, I will call the Leningrad People's Floor Company and order 500 for the building."

□

Buglatov made the call and said, "Comrade, I have good news for you. I want 500 floors for my apartment house."

"No problem. We will ship them to you in 1999."

"Are you crazy? I need them right away. There are 1,500 families waiting to move in, not counting their in-laws."

"You have to have a Red Flag priority permit to get them before 1995. Right now we're shipping all our floors to Michnishinsky in the Crimea for a dacha he is building there for his family. As you know, Michnishinsky is a member of the Central Committee and you don't say no to him when he asks for floors."

Buglatov said, "But I have to open Molotov Gardens on time, or I will be criticized by the party's Five-Year Production Committee."

"Pay them off."

"With what?"

"Promise all their relatives apartments. If you don't know what to do with an apartment after you construct it, you shouldn't be in the Soviet housing business."

□

"Comrade, I have only one problem. All my apartments have already been promised to the relatives of Communist Party big shots. I have none left to promise."

"That was a mistake. When you bribe bureaucrats in this country you always keep something for the ones you will need later."

"What would it take for you to give me the floors?"

"A home in California, a trip to Paris, a summer on the Riviera. I'm very easy to please."

"You are also a disgrace to Lenin, Marx and Engels. How can we bury capitalism when our economic system is rife with bribery and corruption?"

"Don't ask me, I only make floors."

"I have a good mind to call up the Kiev Woodworks and give them the order."

"You can call if you want to, but I understand that they are all tied up making a big sailboat for Suslov, the local party chief there."

"Comrade, I am sure that there's something you need in Moscow that I can find for you if you will ship me my floors."

"There is. Would you send a case of anchovies?"

"Are you insane? There are no anchovies in Moscow, and no one knows if there ever will be again. Where am I going to find anchovies?"

Buglatov said, "In the same place where I am going to find your floors."

Carter Peddles His Dirt To Help His Hometown

The Associated Press

PLAINS, Georgia — There's a lot of Jimmy Carter dirt available in his hometown — at $200 a pinch.

The dirt was dug from Carter's front yard, sealed in 400 plastic jewelry boxes and attached to notarized certificates of authenticity. The soil is just one of a collection of items the Plains Historical Preservation Trust is selling to pay for renovation costs for the Plains school, which was closed in 1979 and named a National Historic Site in 1987. It will reopen as a museum after renovation. Also available, for $300, are Bibles the former president once carried to church.

Decoding Surfspeak for the Freds

By Katherine Bishop

New York Times Service

SAN FRANCISCO — Since the 1959 movie "Gidget" introduced America to Hollywood's version of the Southern California surfing culture and Tom Wolfe came west in the '60s to write "The Pump House Gang" about "the mystique, the mysterioso," the surfing culture has raced across the globe like a tsunami.

The phenomenon has spun off in so many directions that now Chanel models sashay down runways in sequined wet suits; sidewalk surfers, or skateboarders, zip around the Hermitage museum in Leningrad, and children in Copenhagen who have never seen a wave worth riding wear surfing tank tops and Hawaiian print baggies.

Stephanie Birdsong

From all indications, it appears to be the historically perfect moment for "The Surfin'ary: A Dictionary of Surfing Terms and Surfspeak," just published by Ten Speed Press. It was compiled and edited by Trevor Cralle, a native Californian with a degree in cultural geography from the University of California at Berkeley who describes himself as a surf linguist and lexicographer.

Cralle is 30 and has been an avid surfer since he was 14. He spent six years gathering more than 3,000 surfing terms and phrases and researching how the jargon has evolved over the last three decades. He said much of his field research consisted of sitting on a surfboard in the waters off California, Hawaii, Australia and other surfing hot spots and talking to fellow surfers while they waited for the next wave.

But holding conversations with surfers is not always easy, even if one possesses, as Cralle does, sun-bleached hair and a suntan and arrives in a 1967 Volkswagen Beetle. As his book points out, surfers are keen on abbreviated jargon, and in Santa Cruz, California, where he lives, they have achieved new proficiency in expressing themselves with minimal effort.

Thus the question "Zup?" for "What's up?" will usually be answered "Nuch" for "Not much."

Cralle also discovered sublanguages in certain areas that have the effect of excluding even surfers from other places. One such group on the East Side in Santa Cruz has built its sublanguage around the verb "haken," which means to go surfing, creating a number of useful terms like "hakenveesmo," which means to go surfing and then have a meal.

Cralle has tried to trace the path of popular words that have traveled full circle, first adopted from popular culture by surfers for their own purposes, then returned to the wider population as an integral part of young people's lingo and played back in other mediums.

The most noted example is the surfer's exultant shout, "cowabunga!" According to Cralle's research, it was adapted from the 1950s children's program "The Howdy Doody Show," where the character Chief Thunderthud cried out "kawabonga!" as a greeting. Most recently, "cowabunga!" became the cry of the Teenage Mutant Ninja Turtles, connecting with the upcoming surfing generation through comic books and movies.

Cralle speculates that part of the popularity of surfing culture around the world is its close connection to the fantasy of Southern California as a place where the weather and the tans are always perfect, the cars are always convertibles and people are free to frolic in the ocean year-round.

But when words become popular enough to threaten the exclusionary with-it status of surfers, they are often discarded. Cralle said that "cowabunga" has lost ground among surfers to "yabba-dabba-doo," picked up from the '60s cartoon show "The Flintstones." He predicts that the cartoon character Bart Simpson's surfing exclamation of choice, "Aye, carumba!" will be next.

The influence of "The Flintstones" on the language of surfing also extends to the adoption of the names of its lovable but dopey characters — Fred and Wilma Flintstone and Barney Rubble — as derogatory terms for those who engage in hopelessly uncool behavior. Thus the '60s put-downs "ho-dad" and "kook," which became "dork" and "geek" in the '70s, followed by "dweeb" in the '80s, have now been replaced by "barney" and "fred." A female "barney" is a "wilma."

Cralle said some instances of popularization were especially unwelcome. In Frank Zappa's 1982 hit "Valley Girl," Zappa recorded his daughter, Moon Unit, repeating the dialogue overheard at a San Fernando Valley shopping mall, introducing the world to Valley Girls. Their "valspeak" used many surfing words and expressions, which these landlocked teenagers had picked up on forays to the beach.

Surfers suffered the indignity of hearing their lingo repeated by those whom they most disdain — teenagers living outside the "two mile limit" from the ocean, and people who grow up experiencing the ocean through amusement park attractions like mechanical wave-making machines and artificial surfing slides.

To this day, Cralle said, surfers are not amused.

"As soon as 'tubular' appeared in the Zappa song, I haven't heard a surfer utter that word again," he said. After all, a word describing the tube or barrel-shaped form made by a wave just before it breaks loses its correct meaning in the absence of an ocean. In valspeak, "tubular" means "really cool," a corruption of a meaningful surfing term, and is now dismissed by surfers as "so valish."

The book acknowledges that the Baby Boom generation is surfing well past what Tom Wolfe called "the horror age of 25," when one was presumed to have passed some cosmic dividing line separating the totally cool from the hopeless. And by incorporating glossaries of Hawaiian, Indonesian and Spanish terms, Cralle said he hoped to convey the idea that not all surfers are white Southern Californians.

But they are still predominantly male, and Cralle said he tried to work a bit against the sexism of the sport that generally relegates women to sitting on the beach in bikinis. In a departure from objectivity, he says that the surfing slogan "No Fat Chicks" perpetuates "anorexia, bulimia, speed walking, the dieting craze, and possibly other serious disorders yet to be seen" and is used by "brainless, superficial types who want to live in a society of Barbie dolls."

Cralle said that the "Surfin'ary" can be used in a number of ways by nonsurfers, as a cultural anthropology text, a nostalgic entertainment or a guide for parents to what their children are saying.

But because surfspeak is constantly changing and specific to the surfing culture, the meanings and usages it documents "can never be fully conveyed to an outsider who hasn't ridden the big one."

PEOPLE

Clouds Over Venice

This year's Venice film festival opens Tuesday with **Luc Besson's** "Atlantis," a child's dream of an underwater city, and **Emidio Greco's** "Una Storia Semplice" (A Simple Story) about a Mafia crime. It ends with a second premiere for **Luchino Visconti's** 1963 "Il Gattopardo" (The Leopard), which stars **Alain Delon, Claudia Cardinale** and **Burt Lancaster** as Sicilian aristocrats, in a new copy prepared from the original negatives. But the festival opens under a cloud of uncertainty about its future. Plans by the rival Cannes festival in France to change its dates from May each year to the autumn have raised the prospects of a clash. **Gugliemo Biraghi**, director of the Venice festival, has said that if Cannes shifts to a date close to Venice's, there will be "a battle at daggers drawn." The Cannes event takes place as usual next May, but its director wants to shift eventually because May is not good for the effective promotion of new films. The 21 films in competition this year include **Terry Gilliam's** "The Fisher King," **John Boorman's** "I Dreamt I Woke Up," and **Peter Greenaway's** "Prospero's Books," with **Sir John Gielgud**. For the first time, the closing ceremony will be across the lagoon from the Lido, on Piazza San Marco, with Delon and Cardinale.

□

British **Prime Minister John Major** got a vote of no confidence from menswear retailers in the British Shops and Store Association, who said he dressed like an old man. "There's certainly nothing prime about his clothes," they said in a statement. "His clothes are a complete bore and it's a wonder he didn't keep his suit on to go fishing with **President Bush**." The retailers said Major, 48, who favors sober gray suits, set an appalling fashion example. They voted world middleweight boxing champion **Chris Eubank** Britain's best-dressed man.

□

Fifty years after her suicide, devotees of **Marina Tsvetayeva** honored one of Russia's greatest 20th-century poets amid an official renaissance of her once-banned verse. Tsvetayeva's younger sister **Anastasia**, 97, was present as a plaque was unveiled on the Moscow house where the poet lived from 1914 until she emigrated in 1922. Tsvetayeva is considered one of a quartet of poets, including **Anna Akhmatova, Osip Mandelstam** and **Boris Pasternak**, who established their reputations before the 1917 Bolshevik revolution. Mandelstam perished in a labor camp in 1938. Akhmatova's first husband was shot and her son imprisoned. Pasternak's winning of the Nobel Prize for Literature in 1958 set off an acrid official campaign against him. Only Tsvetayeva emigrated, settling in Paris in 1925, but she returned to Moscow in 1939. Her husband had already been executed and her daughter **Ariadna** was sent to a labor camp. She was evacuated with her son to Yelabuga, on the Volga, in 1941. "I don't want to die, I just don't want to exist," she has been quoted as saying before hanging herself. Her son died at the front.

□

Neil Simon is going to try again with "Jake's Women." The play was to have reached Broadway almost two years ago but its tryout in San Diego, starring **Peter Coyote** and **Stockard Channing**, did not survive. Simon has reworked it and "Jake's Women" will open on Broadway in March with **Alan Alda**. "The play is 70 percent rewritten," Simon told The New York Times. He says the biggest change is that the play is now focused better on Jake, a writer who has imaginary conversations with the various women in his life.

□

The fitness guru **Jack LaLanne** has pleaded no contest to a charge of alcohol-related reckless driving. An attorney entered the plea for the 76-year-old LaLanne in San Luis Obispo, California, after prosecutors agreed to drop a more serious charge of drunken driving. LaLanne will be on probation for one year, pay a $525 fine and attend eight hours of alcohol education classes, said **Deputy District Attorney Karen Medeiros**.

□

The actress **Joanne Woodward** is helping raise money to refurbish her high school's auditorium as a tribute to a drama teacher who inspired her. Woodward was a student of the late **Robert Hemphill McLane**, who directed her at Greenville High School in South Carolina and at Greenville Little Theater, where he was director for 30 years.

PERSONALS

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